

APEX
INVESTMENT PSC
إبيكس للاستثمار ش.م.ع.

Integrated Report 2023



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Board of Directors Report

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Executive Summary and Overview



Apex Investments PSC (ADX: APEX), a leading investment firm in the UAE, underwent a transformative period alongside its subsidiaries, referred to collectively as the Group, in the fiscal year. The operational performance for FY2023 illustrates a significant shift from a model driven by emergency circumstances, featuring rapid growth and high margins due to the impact of COVID-19, to a more standardized and sustainable approach. We embarked on a comprehensive journey aimed at addressing the challenges presented by COVID-19 and adopting a conventional and standardized operational mode. This transformative process involved profound alterations across every aspect of our business, encompassing both functional and structural dimensions..

The business activities of Apex Investments PSC (“Apex” or “Apex Investment” or “Company”), along with its subsidiaries and affiliates (“Apex Group” or “Group”) are diversified including cement manufacturing and trading, industrial and commercial catering, facility management, sale and rental of tents and shades, tailored production of tents for events and functions, industrial and commercial laundry services, interior designing and logistics services to ports, oil & gas sectors etc.




In FY2023, the profit from operations totaled AED 78.9 million, down from AED 159.8 million in FY2022, primarily due to decreased COVID-19 related activities.

During FY2023, Apex achieved a significant milestone by efficiently executing a crucial offshore ADNOC contract within our Catering segment, serving approximately 12,000 individuals daily. Through strategic planning and proactive cost management measures, we not only exceeded performance expectations but also surpassed the established plan, resulting in an enhanced commercial return. This successful contract execution underscores our ability to drive growth for our shareholders and deliver substantial value for our clients.

Our balance sheet performance remained robust, with net liquidity exceeding AED 600 million, strategically positioning us to seize growth opportunities.

As we look ahead to FY2024, we remain committed to adapting and evolving alongside our customers, fostering positive change, and consistently delivering excellence.

Following is the overview of Key Apex group of companies:

Company Name	Business Description	Logo
1 Apex National Catering	Apex Catering is an industry leader in the field of commercial catering. We are the trusted partner to some of the most venerable government and corporate entities in the UAE spanning myriad of sectors such as Oil & Gas, Healthcare etc.	
2 RR Facility Management	RRFM is amongst the largest physical asset management companies in the UAE. Specializing in both hard and soft FM including providing building maintenance, camps and labor accommodation.	
3 Central Tents	Central Tents is a pioneer in tents, shades, and mobile halls. Our unique tents are used for many of the marquee events held in the UAE. We have also been at the forefront in the fight against the pandemic in our region becoming an expert in the construction of field hospitals.	

4 **RAKCC**

RAKCC is a leader in the cement industry in the UAE. Being a leader in various grades of cement such as Portland, Masonry, Oil Well etc.



5 **Apex Logistics**

Apex Logistics aims to bring cutting edge solutions to the logistics sector. Our first foray is in the field of commercial drone technology. Namely SkGo Transport of Goods. Skygo is the only company in UAE having Commercial License for drone cargo delivery, and its a strategic partnership between Ethmar holdings and Apex Investment company.



Financial Performance for 2023

Abridged Income Statement

Particulars	FY23	FY22	Variance	
	AED m			%
Revenue	723.5	820.3	(96.8)	(11.8)%
Cost of sales	(596.0)	(595.3)	(0.7)	0.1%
GROSS PROFIT	127.5	225.0	(97.5)	(43.3)%
General and administrative expenses	(57.5)	(67.6)	10.1	(14.9)%
Other income	9.9	3.0	6.9	230.0%
Dividend income	0.9	0.8	0.1	12.5%
Finance costs	(1.9)	(1.4)	(0.5)	35.7%
PROFIT FROM OPERATIONS	78.9	159.8	(80.9)	(50.6)%
Share of loss from equity accounted investees	(7.9)	(6.5)	(1.4)	21.5%
Net loss from financial assets carried at fair value through profit or loss	(129.4)	33.9	(163.3)	(481.7)%
(LOSS) PROFIT FOR THE YEAR	(58.4)	187.2	(245.6)	(131.2)%

In FY2023, total revenue amounted to AED 723.5 million, marking an 11.8% decrease compared to FY2022's AED 820.3 million. This decline is primarily attributed to the winding down of COVID-19 related activities that dominated previous years. Notably, the Contracting segment experienced a decrease of AED 71.6 million, primarily due to reduced demand for field hospitals and related management services, which was partially offset by an increase in contracting services associated with solar energy projects.

Gross profit for FY2023 stood at AED 127.5 million, down from AED 225.0 million in FY2022. This decrease is mainly due to a shift in customer mix from government-led COVID-19 related business to more traditional sectors like Oil & Gas.

Despite facing thin margins and intense competition, diversification efforts have proven fruitful, generating profits at the top quartile, approximately 11% of sales, in a normalized business environment. Revenues from catering services, facility management services, and the sale of tents, crucial for supporting COVID-19 requirements, experienced a slowdown in demand and sales due to evolving business dynamics. However, revenues from cement and infrastructure projects (including solar energy projects) exceeded expectations, partially offsetting the decline from the absence of COVID-19 related business.

Throughout FY2023's transformative phase, the group adeptly adapted to the changing business landscape, consistently outperforming competitors in comparable operations, cost efficiency, and strategic planning. The initiatives undertaken position Apex favorably for strong operational growth in FY2024.

Management's strategic focus remains on achieving cost synergies and margin improvement by balancing infrastructure projects and enhancing comprehensive services across Catering and Facility Management.

Financial Performance for 2023

Abridged Statement of Financial Position

Particulars	FY23	FY22	Variance	
	AEDm			%
Non-current assets				
Property, plant and equipment	348.9	355.2	(6.3)	(1.8)%
Intangible assets	6.9	7.0	(0.1)	(1.4)%
Right-of-use of assets	16.1	16.7	(0.6)	(3.6)%
Investments in equity accounted investees	38.8	32.7	6.1	18.7%
Financial assets carried at FVTOCI	144.3	188.7	(44.4)	(23.5)%
	555.0	600.3	(45.3)	(7.5)%
Current assets				
Inventories	76.2	57.8	18.4	31.8%
Trade and other receivables	332.8	639.9	(307.1)	(47.8)%
Financial assets carried at fair value through FVTPL	450.8	587.1	(136.3)	(23.2)%
Amounts due from related parties	176.4	233.0	(56.6)	(24.3)%
Cash and bank balances	607.8	142.6	465.2	326.2%
	1,644.0	1,660.4	(16.4)	(0.9)%
TOTAL ASSETS	2,199	2,260.7	(61.7)	(2.7)%

Apex's balance sheet reflects a resilient and stable financial position. The total asset base, amounting to AED 2.2 billion, is slightly lower by AED 61.6 million compared to FY2022. This decrease is primarily attributed to a decline in trade and other receivables, as well as unrealized losses in the Fair Value Through Profit or Loss (FVTPL) category, which were offset by an increase in net liquidity.

As of December 31st, 2023, Apex maintains a current ratio of 6.7x, indicating strong liquidity, and has generated free cashflows of AED 466.9 million, a notable increase from AED 126.5 million in FY2022. These factors underscore the company's robust financial health, positioning it favorably to seize potential acquisition opportunities, sustain growth, and consistently deliver strong performance.

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**Audited
Financial
Report FY23**

Apex Investment PSC

**BOARD OF DIRECTORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS**

31 DECEMBER 2023

Apex Investment PSC

BOARD OF DIRECTORS' REPORT

31 DECEMBER 2023

Apex Investment PSC

BOARD OF DIRECTORS' REPORT

For the year ended 31 December 2023

The Board of Directors have the pleasure to present their report, together with the audited consolidated financial statements of Apex Investment PSC (the "Company") and its subsidiaries (together referred to as the "Group"), for the year ended 31 December 2023.

Principal activities

The principal activities of the Group include clinkers and hydraulic cements manufacturing, wholesale of cement products trading and industrial, commercial and agricultural enterprises investment, institution and management, providing food catering, ready-made food catering contracts (meal preparation), camps and labor accommodation management, facilities management services, onshore and offshore oil and gas fields and facilities services, sale and rental of tents and shades, tailoring producing tents pavilions, organizing parties and events and providing interior design work.


Results for the year

During the year ended 31 December 2023, the Group reported revenue of AED 723,487,592 (2022: AED 820,299,415) and profit from operations AED 78,866,647 (2022: AED 159,770,279) and loss for the year of AED 58,433,109 (2022: profit of AED 187,194,349) primarily driven by net loss from financial assets carried at fair value through profit or loss AED 129,433,369 (2022: gain AED 33,923,073).

Auditors

A resolution proposing the reappointment of Ernst & Young as auditors of the Group for the year ending 31 December 2024 will be put to the shareholders at Annual General Meeting.

For and on behalf of the Board of Directors



Group Chairman of the Board



Group Managing Director

Date 23rd January 2024
Abu Dhabi



Apex Investment PSC

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

APEX INVESTMENT PSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Apex Investment PSC (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, 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 31 December 2023 and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

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 Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our 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.

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.

Revenue recognition

Revenue recognition is considered to be a key area of focus given there are multiple revenue streams associated with the Group which come from various decentralized operational locations. In addition, there are a number of different IT systems and applications in place for the recording of revenue transactions. The Group has a variety of customer contracts and revenue arrangements that require careful consideration and judgement to determine the appropriate revenue recognition. Further, revenue is also a key performance indicator for the Group's performance. During the year ended 31 December 2023, total revenue of the Group amounted to AED 723,487,592 (2022: AED 820,299,415) (note 4).

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

APEX INVESTMENT PSC continued

Report on the Audit of the Consolidated Financial Statements continued

Revenue recognition continued

We reviewed the revenue recognition policies applied by the Group to assess their compliance with IFRS requirements. For each material operational location with significant revenue streams, we obtained an understanding of the design and operating effectiveness of the controls relating to the revenue recognition process for certain subsidiaries, and performed substantive audit procedures which included overall analytical procedures at the Group and subsidiary level, and performed testing of transactions covering the population throughout the year, to assess whether revenues were properly recognised.

Other information

Other information consists of the information included in the Board of Directors' report and annual report other than the consolidated financial statements and our auditor's report thereon. We obtained the Board of Directors' report prior to the date of our audit report and we expect to obtain the annual report after the date of our auditor's report. Management is responsible for the other information.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and in doing so, consider whether the other information is materially inconsistent with the 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 the Board of Directors for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Company's Articles of Association and the UAE Federal 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, management is 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.

The Board of Directors is 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

APEX INVESTMENT PSC continued

Report on the Audit of the Consolidated Financial Statements continued

Auditor's responsibilities for the audit of the consolidated financial statements continued

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.
- 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 auditor's 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 auditor's 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 consolidated 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 the 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, action taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

APEX INVESTMENT PSC continued

Report on the Audit of the Consolidated Financial Statements continued

Auditor's responsibilities for the audit of the consolidated financial statements continued

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 period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (32) of 2021, we report that for the year ended 31 December 2023:

- i) the Group has maintained proper books of account;
- ii) we have obtained all the information we considered necessary for the purposes of our audit;
- iii) 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 Law No. (32) of 2021;
- iv) the financial information included in the Board of Directors' report is consistent with the books of account of the Group;
- v) investments in shares and stocks are included in note 9 to the consolidated financial statements;
- vi) note 17 reflects material related party transactions and the terms under which they were conducted;
- vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2023, any of the applicable provisions of the UAE Federal Law No. (32) of 2021 or of its Articles of Association which would have a material impact on its activities or its financial position as at 31 December 2023; and
- viii) there were no social contributions made during the year.



Signed by
Ahmad Al Dali
Partner
Ernst & Young
Registration No. 5548

23 January 2024
Abu Dhabi

Apex Investment PSC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	<i>Notes</i>	<i>2023</i> <i>AED</i>	<i>2022</i> <i>AED</i>
Revenue	4	723,487,592	820,299,415
Cost of sales	5	<u>(596,068,115)</u>	<u>(595,317,690)</u>
GROSS PROFIT		127,419,477	224,981,725
General and administrative expenses	6	(57,491,331)	(67,601,780)
Other income		9,912,275	3,012,635
Dividend income		939,559	783,537
Finance costs		<u>(1,913,333)</u>	<u>(1,405,838)</u>
PROFIT FROM OPERATIONS		78,866,647	159,770,279
Share of loss from equity accounted investees	8	(7,866,387)	(6,499,003)
Net (loss) gain from financial assets carried at fair value through profit or loss	9	(129,433,369)	33,923,073
(LOSS) PROFIT FOR THE YEAR		<u>(58,433,109)</u>	<u>187,194,349</u>
Basic (loss) earnings per share	21	<u><u>(0.016)</u></u>	<u><u>0.061</u></u>

The attached notes 1 to 24 form part of these consolidated financial statements.

Apex Investment PSC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Note	2023 AED	2022 AED
(LOSS) PROFIT FOR THE YEAR		<u>(58,433,109)</u>	<u>187,194,349</u>
Other comprehensive (loss) income:			
<i>Items that will not be subsequently reclassified to consolidated profit or loss in subsequent years:</i>			
Decrease in fair value of investments carried at fair value through other comprehensive income ("FVTOCI")	9	<u>(44,394,666)</u>	<u>(22,359,238)</u>
Total other comprehensive loss		<u>(44,394,666)</u>	<u>(22,359,238)</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR		<u>(102,827,775)</u>	<u>164,835,111</u>

The attached notes 1 to 24 form part of these consolidated financial statements.

Apex Investment PSC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	<i>Notes</i>	<i>2023</i> <i>AED</i>	<i>2022</i> <i>AED</i>
ASSETS			
Non-current assets			
Property, plant and equipment	7	348,853,470	355,248,326
Intangible assets		6,913,271	6,954,649
Right-of-use of assets	18	16,110,979	16,666,737
Investments in equity accounted investees	8	38,804,958	32,710,095
Financial assets carried at FVTOCI	9	<u>144,322,521</u>	<u>188,717,187</u>
		<u>555,005,199</u>	<u>600,296,994</u>
Current assets			
Inventories	10	76,220,392	57,793,126
Trade and other receivables	11	332,825,371	639,873,502
Financial assets carried at fair value through profit or loss (FVPL)	9	450,834,185	587,147,884
Amounts due from related parties	17	176,422,632	232,952,570
Cash and bank balances	12	<u>607,791,559</u>	<u>142,603,549</u>
		<u>1,644,094,139</u>	<u>1,660,370,631</u>
TOTAL ASSETS		<u>2,199,099,338</u>	<u>2,260,667,625</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	13	3,553,195,467	3,553,195,467
Merger reserve	3	(1,800,910,103)	(1,800,910,103)
Cumulative changes on revaluation of financial assets		66,952,153	111,346,819
Statutory reserve	14.1	88,435,453	88,435,453
Voluntary reserve	14.2	51,756,274	51,756,274
(Accumulated losses) retained earnings		<u>(13,801,098)</u>	<u>44,632,011</u>
Total equity		<u>1,945,628,146</u>	<u>2,048,455,921</u>
Non-current liabilities			
Provision for employees' end of service benefits	15	8,099,005	5,620,240
Lease liabilities	18	<u>1,574,290</u>	<u>1,525,510</u>
		<u>9,673,295</u>	<u>7,145,750</u>
Current liabilities			
Trade and other payables	16	180,127,591	159,084,026
Lease liabilities	18	17,467	15,468
Amounts due to related parties	17	42,048,254	29,346,447
Short term borrowings	19	<u>21,604,585</u>	<u>16,620,013</u>
		<u>243,797,897</u>	<u>205,065,954</u>
Total liabilities		<u>253,471,192</u>	<u>212,211,704</u>
TOTAL EQUITY AND LIABILITIES		<u>2,199,099,338</u>	<u>2,260,667,625</u>



Group Chairman of the Board



Group Managing Director

The attached notes 1 to 24 form part of these consolidated financial statements.



Apex Investment PSC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Share capital AED	Merger reserve AED	Statutory reserve AED	Voluntary reserve AED	Cumulative changes on revaluation of financial assets AED	(Accumulated losses) retained earnings AED	Total equity AED
Balance at 1 January 2022	503,118,000	-	69,716,018	33,036,839	133,706,057	(105,123,468)	634,453,446
Issuance of share capital (note 13)	3,050,077,467	-	-	-	-	-	3,050,077,467
Acquisition of subsidiary (note 3)	-	(1,800,910,103)	-	-	-	-	(1,800,910,103)
Profit for the year	-	-	-	-	-	187,194,349	187,194,349
Other comprehensive loss for the year	-	-	-	-	(22,359,238)	-	(22,359,238)
Total comprehensive income for the year	-	-	-	-	(22,359,238)	187,194,349	164,835,111
Transfer to reserves	-	-	18,719,435	18,719,435	-	(37,438,870)	-
At 31 December 2022	<u>3,553,195,467</u>	<u>(1,800,910,103)</u>	<u>88,435,453</u>	<u>51,756,274</u>	<u>111,346,819</u>	<u>44,632,011</u>	<u>2,048,455,921</u>
Balance at 1 January 2023	3,553,195,467	(1,800,910,103)	88,435,453	51,756,274	111,346,819	44,632,011	2,048,455,921
Loss for the year	-	-	-	-	-	(58,433,109)	(58,433,109)
Other comprehensive loss for the year	-	-	-	-	(44,394,666)	-	(44,394,666)
Total comprehensive loss for the year	-	-	-	-	(44,394,666)	(58,433,109)	(102,827,775)
At 31 December 2023	<u>3,553,195,467</u>	<u>(1,800,910,103)</u>	<u>88,435,453</u>	<u>51,756,274</u>	<u>66,952,153</u>	<u>(13,801,098)</u>	<u>1,945,628,146</u>

The attached notes 1 to 24 form part of these consolidated financial statements.

Apex Investment PSC

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	<i>Notes</i>	<i>31 December 2023 AED</i>	<i>31 December 2022 AED</i>
OPERATING ACTIVITIES			
(Loss) profit for the year		(58,433,109)	187,194,349
Adjustments for:			
Depreciation on property, plant and equipment	7	32,165,370	23,030,667
Gain on sale of property, plant and equipment, net		(9,644)	(48,474)
Property, plant and equipment written-off	7	882,000	-
Gain on termination of right-of-use assets	18	-	(34,319)
Amortization of intangible assets		41,378	110,853
Depreciation on right-of-use assets	18	555,758	67,862
Fair value loss (gain) on revaluation of investments at FVTPL	9	132,462,765	(32,841,833)
Provision for employees' end of service benefits	15	4,040,203	2,434,121
Gain on sale of investments at FVTPL	9	(3,029,396)	(1,081,240)
Dividend income		(939,559)	(783,537)
Share of loss from equity accounted investees	8	7,866,387	6,499,003
(Reversal of) provision for expected credit loss on trade and other receivables and amount due from related parties	11 & 17	(11,103,330)	12,263,634
Allowance for slow-moving and obsolete inventories	10	1,000,000	-
Finance costs		<u>1,913,333</u>	<u>1,405,838</u>
		107,412,156	198,216,924
Working capital adjustments			
Inventories		(19,427,266)	2,286,731
Trade and other receivables		322,985,257	142,056,052
Trade and other payables		21,043,565	(135,141,451)
Amount due from related parties		51,696,142	(28,852,315)
Amount due to related parties		<u>12,701,807</u>	<u>1,716,278</u>
Cash from operations		495,529,661	180,282,219
Employees' end of service benefits paid	15	<u>(1,561,438)</u>	<u>(352,046)</u>
Net cash generated from operating activities		<u>493,968,223</u>	<u>179,930,173</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7	(27,037,152)	(38,440,023)
Upfront payment towards lease		-	(15,000,000)
Investment in equity accounted investees	8	(13,961,250)	(3,675,000)
Payment of lease liabilities	18	(67,500)	(135,000)
Proceeds from sale of property, plant and equipment		394,282	447,483
Proceeds from sale of investments at FVTPL	9	13,647,852	9,445,800
Purchase of investments at FVTPL	9	(6,767,522)	(12,871,249)
Movement of term deposits	12	(95)	-
Net cash acquired from an acquisition of a subsidiary	3	-	25,428,780
Dividend received		<u>939,559</u>	<u>783,537</u>
Net cash used in investing activities		<u>(32,851,826)</u>	<u>(34,015,672)</u>
FINANCING ACTIVITIES			
Net movement in short term borrowings	19	(1,158,655)	(6,951,925)
Finance costs paid		<u>(1,795,054)</u>	<u>(1,397,461)</u>
Net cash used in financing activities		<u>(2,953,709)</u>	<u>(8,349,386)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		459,044,688	137,565,115
Cash and cash equivalents at the beginning of the year		<u>127,131,996</u>	<u>(10,433,119)</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	12	<u>586,176,684</u>	<u>127,131,996</u>

The attached notes 1 to 24 form part of these consolidated financial statements.

1 ACTIVITIES

Apex Investment PSC (hereinafter referred to as the “Company”) is a public shareholding company incorporated in Ras Al Khaimah under the name of Ras Al Khaimah Cement Company P.S.C by an Emiri Decree No. 4 issued by His Highness, The Ruler of Emirate of Ras Al Khaimah, United Arab Emirates in 1995. The Company started its commercial production in April 2000 and during 2021, it amended its business name to Ras Al Khaimah Cement Investment Public J.S.C. Further, in the month of March 2022, the Company’s business name was amended to Apex Investment PSC. The Company is listed on the Abu Dhabi Securities Exchange (ADX).

These consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries (together referred to as the “Group”). The principal activities of the Group include clinkers and hydraulic cements manufacturing, wholesale of cement products trading and industrial, commercial and agricultural enterprises investment, institution and management, providing food catering, ready-made food catering contracts (meal preparation), camps and labor accommodation management, facilities management services, onshore and offshore oil and gas fields and facilities services, sale and rental of tents and shades, tailoring producing tents pavilions, organizing parties and events and providing interior design work.

During 2021, the Company’s shareholders accepted an offer from IHC Capital Holding LLC (“IHC”) and Chimera Investment LLC (“Chimera”), the shareholders of Apex Holding LLC (“Apex”), to acquire 100% of the shareholding of Apex, in exchange for the issuance of mandatory convertible bonds with a nominal value of AED 1 each in an aggregate principal amount of AED 3,050,077,467 of the Company to IHC and Chimera. The convertible bonds were converted into ordinary shares on 17 February 2022. Regulatory approvals for the transaction were received on 1 March 2022 and consequently, the Company’s share capital increased to AED 3,553,195,467 from that date. As a result of the transaction, IHC and Chimera became the majority holders of the Group.

On 1 April 2022, Tamween Companies Management LLC, a wholly owned subsidiary of Ghitha Holding PJSC, acquired 51.5% of shareholding of the Company from IHC.

The consolidated financial statements of the Group for the year ended 31 December 2023 were authorised for issuance by the Board of Directors on 23 January 2024.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

2.1 BASIS OF PREPARATION

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board (IASB) and applicable requirements of the UAE Federal Law No. (32) of 2021.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets that have been measured at fair value.

These consolidated financial statements are presented in UAE Dirham (“AED”), which is the functional currency of the primary economic environment in which the Group operates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements of the Group comprise the financial information of the Company and its subsidiaries.

Control is achieved when the Group:

- has power over the investee,
- is exposed, or has rights, to variable returns from its involvement with the investee, and
- has the ability to use its power to affect its returns.

The Group reassesses 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 listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, 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.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners 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 subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup 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. When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Apex Investment PSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.2 BASIS OF CONSOLIDATION continued

Details of subsidiaries as at 31 December 2023 and 31 December 2022 were as follows:

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			31 Dec 2023	2022
Apex Holding LLC	United Arab Emirates	Investment Company	100%	100%
Ras Al Khaimah Cement Co. LLC	United Arab Emirates	Clinkers and hydraulic cement manufacturers and wholesale of cement products trading	100%	100%
Apex Alwataniah Catering Service LLC	United Arab Emirates	Food catering	100%	100%
The Central Tents Company – Sole Proprietorship LLC	United Arab Emirates	Sale and rental of tents	100%	100%
R.R Facility Management – Sole Proprietorship LLC	United Arab Emirates	Facilities management services	100%	100%
Boudoir Interiors - Sole Proprietorship LLC	United Arab Emirates	Interior design implementation works	100%	100%
Apex National Investment LLC	United Arab Emirates	Investment, institution and management of enterprises	100%	100%
Support Services Catering Company – Sole Proprietorship LLC	United Arab Emirates	Building cleaning services	100%	100%
Apex Companies Management LLC (*) (**)	United Arab Emirates	Management services of companies and private institutions	40%	40%
Apex Construction and Development – Sole Proprietorship LLC	United Arab Emirates	Real estate development and construction	100%	100%
Apex Padel Sport LLC – Sole Proprietorship PJSC (*) (***)	United Arab Emirates	Tennis club	-	100%
Apex Alwataniah Logistics – Sole Proprietorship LLC	United Arab Emirates	Land, marine, air shipment and clearance	100%	100%
Apex UL Investment LLC (*)	United Arab Emirates	Commercial enterprises investment	51%	51%
Riva Marine General Marine Services – Sole Proprietorship LLC (*) (***)	United Arab Emirates	Marine machine and equipment repair and maintenance	-	100%
Apex Academy SPLLC (*)	United Arab Emirates	Food safety consulting, professional safety and health consultancy	100%	100%
Apex AGRO Investment (*) (***)	Morocco	Agricultural Crop Trading, agricultural enterprises investment, institution and management	100%	-
Apex Commercial Investment – SPLLC	United Arab Emirates	Commercial enterprises investment, institution and management	100%	-

(*) These entities are dormant and non-operating entities.

(**) Subsidiary consolidated based on de-facto control.

(***) During the year, the licenses of Apex Padel Sport LLC - Sole Proprietorship LLC and Riva Marine General Marine Services - Sole Proprietorship LLC were cancelled.

(****) The Board of Directors has resolved to dissolve this entity which has no operations as of reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new standards, interpretations and amendments effective as of 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- IFRS 17 Insurance Contracts
- Definition of Accounting Estimates – Amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- International Tax Reform - Pillar Two Model Rules – Amendments to IAS 12

These amendments had no significant impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

2.4 FUTURE CHANGES IN ACCOUNTING POLICIES - STANDARDS ISSUED BUT NOT YET EFFECTIVE

New and amended standards and interpretations

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Amendments to IFRS 16: Lease Liability in a Sale and Lease back
- Amendments to IAS 1: Classification of Liabilities as Current or Non-Current
- Supplier Finance Arrangement – Amendments to IAS 7 and IFRS 17

The Group does not expect that the adoption of these new and amended standards and interpretations will have a material impact on its consolidated financial statements.

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Judgements

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

Determining whether unsigned (verbal) agreements meet the definition of contract under IFRS 15

Certain projects for the Government of Abu Dhabi, its departments or related parties, are executed on the basis of verbally agreed terms (including estimates of total project cost and timelines) in line with the Group's historical business practice. Management has determined such unsigned verbal agreements meet the definition of a 'contract with customer' under IFRS 15. Management considers such unsigned verbal agreements to meet the definition of a 'contract with customer' under IFRS 15 since the Group and the customer agree upon the essential elements of a contract and any other lawful conditions, though matters of detail are left to be agreed upon at a later date, and the contract is deemed to be made and binding even in the absence of agreement on these matter of detail. In addition, under Article 132 of the UAE Civil code and under the Supreme Administrative Court Ruling in Case no. 134 of 42 Judicial Year dated 22 July 1997 a contract can be oral or written and a contract can also result from acts which demonstrate the presence of mutual consent between the relevant parties.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES continued

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the consolidated statement of financial position 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 discussed below:

Useful lives and residual values of property, plant and equipment

The useful lives and residual values of the property, plant and equipment are based on management's judgment of the historical pattern of useful lives and the general standards in the industry. Management has reviewed the residual values and the estimated useful lives of property, plant and equipment in accordance with IAS 16 'Property Plant and Equipment' and has determined that these expectations do not significantly differ from previous estimates.

Impairment of property, plant and equipment

Property, plant and equipment are assessed for impairment based on an assessment of whether impairment indicators exist at the consolidated statement of financial position date. Management has not provided any amounts in the current year for potentially impaired items of property, plant and equipment as management has not identified any impairment indicators. Accordingly, no provision for impairment is necessary on property, plant and equipment.

Allowance for expected credit losses on trade receivables and amounts due from related parties

The Group assesses the impairment of its financial assets based on the Expected Credit Loss ("ECL") model. Under the expected credit loss model, the Group accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. The Group measures the loss allowance at an amount equal to lifetime ECL for its financial instruments.

The Group measures the expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

At the reporting date, gross trade accounts receivable including unbilled receivables and amounts due from related parties amounted to AED 284,203,824 (2022: AED 641,460,299) and AED 186,122,030 (2022: AED 237,818,172) and the allowance for expected credit losses against them amounted to AED 15,960,732 (2022: AED 31,914,486) and AED 9,699,398 (2022: AED 4,865,602), respectively. Any difference between the amounts actually collected in future periods and the amounts expected to be received will be recognised in the consolidated statement of profit or loss.

Impairment of inventories

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

At the reporting date, gross inventories amounted to AED 82,195,726 (2022: AED 62,768,460) and the provision for old and obsolete inventories amounted to AED 5,975,334 (2022: AED 4,975,334). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the statement of comprehensive income.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES continued

Estimation uncertainty continued

Calculation of the quantity of inventory

The calculation of closing stock quantities of certain raw materials, clinker and finished cement requires the use of estimates. At the end of each reporting period, management appoints a surveyor to determine the volume of the inventory which is used by management, using a formula by reference to the inventory's estimated density, to arrive to the closing quantity.

2.6 MATERIAL ACCOUNTING POLICY INFORMATION

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in consolidated statement of profit or loss.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.6 MATERIAL ACCOUNTING POLICY INFORMATION continued

Business combinations and goodwill continued

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in consolidated statement of profit or loss as a gain on bargain purchase.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Changes in Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Owner of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in the consolidated statement of profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the initial carrying amount for the purposes of subsequent accounting for the retained interest as an investment in an associate or a joint venture or financial asset.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.6 MATERIAL ACCOUNTING POLICY INFORMATION continued

Acquisition of entities under common control

Transactions giving rise to a transfer of interest in entities that are under common control are accounted for in accordance with the pooling of interest method of accounting at the date the transfer without restatement of prior periods. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the books of the transferor entity. The components of the equity of the acquired entities are added to the same components within the Group entity. Any transaction costs paid for the acquisition are recognised directly in equity.

Intangible assets

Purchased intangible assets are shown at historical cost. Intangible assets have a finite useful life of seven years and are carried at cost less accumulated amortization. Amortization is calculated using the straight line method to allocate the cost of the intangible assets over their estimated useful lives.

Investments in associates

Associates are all entities over which the Group has significant influence but no control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognized at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post – acquisition profit or loss of the investee in the consolidated statement of profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the associate.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the associates, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

Unrealised gains or transactions between the Group and associates are eliminated to the extent of the Group's interest in these associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees are changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity – accounted investments is tested for impairment.

Investments in a joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its joint venture are accounted for using the equity method.

The results and assets and liabilities of the joint venture are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.6 MATERIAL ACCOUNTING POLICY INFORMATION continued

Investments in a joint venture continued

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of joint venture is shown on the face of the consolidated statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss within 'Share of loss from equity accounted investees' in the consolidated statement of profit or loss.

When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Upon loss of significant influence over the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of allowances and rebates. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15.

Revenue from contracts with customers for sale of goods or services

The Group recognises revenue from contracts with customers based on a five steps model as set out in IFRS 15:

- Step 1:* Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2:* Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3:* Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4:* Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- Step 5:* Recognise revenue when (or as) the Group satisfies a performance obligation.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.6 MATERIAL ACCOUNTING POLICY INFORMATION continued

Revenue recognition continued

Revenue from contracts with customers for sale of goods or services continued

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the consolidated statement of profit or loss at the fair value of the consideration received or receivable.

Contract revenue

Contract revenue comprises revenue from execution of contracts relating to construction project services. The Group recognises revenue from construction project execution services contracts over time as the assets constructed are highly customized for the customers' needs with no alternative use and the Group has right to payment for performance completed to date.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, and incentive payments, to the extent that it is probable that they will result in revenue, they can be measured reliably and will be approved by the customers. Claims are recognised when negotiations have reached an advanced stage such that it is probable that the customer will accept the claim and the amount can be measured reliably. Contract revenue also includes revenue from securing the award of significant projects for construction works. These amounts are recognised when all significant service obligations arising from the related services have been discharged.

If the outcome of a contract can be estimated reliably, contract revenue is recognised in the consolidated statement of profit or loss in proportion to the stage of completion of the contract. Losses on contracts are assessed on an individual contract basis and a provision is recorded for the full amount of any anticipated losses, including losses relating to future work on a contract, in the period in which the loss is first foreseen.

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable; and contract costs should be recognised as an expense in the period in which they are incurred.

Revenue from sale of goods

The Group recognises revenue from sale of food and non-food items at a point in time. For sales of goods to the customers mainly include one performance obligation, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of use of goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Revenue from sale of cement is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group is entitled.

Facility management

The Group provides specialized facility management, maintenance and operational support services to its customers. Such services are recognised as a performance obligation satisfied over a period in time on a monthly basis under IFRS 15.

Rendering of services

The Group provides services related to interior design implementation works. Such services are generally recognised as a performance obligation satisfied over a period of time based on the percentage of work completed at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.6 MATERIAL ACCOUNTING POLICY INFORMATION continued

Income tax expense

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated statement of comprehensive income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised on all temporary differences at the reporting date between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- Deferred tax assets are recognised only to the extent that it is probable that a taxable profit will be available against which the deductible temporary differences and carried forward tax credits or tax losses can be utilized.

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 assets 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 profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the reporting date.

Current and deferred tax is charged or credited directly to other comprehensive income or equity if it relates to items that are credited or charged to, respectively, other comprehensive income or equity. Otherwise, income tax is recognised in the consolidated statement of comprehensive income.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.6 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial instruments

i) Financial assets

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.

Initial recognition and measurement

Financial assets are classified, at initial recognition as financial assets at fair value through profit or loss, fair value through OCI or amortized cost. All financial assets are recognised initially at fair value plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The Group's financial assets comprise financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income, trade and other receivables, amounts due from related parties and cash and bank balances.

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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset.

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. 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.

Subsequent measurement

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

- a) Financial assets at amortised cost (trade and other receivables, amounts due from related parties and cash and bank balances);
- b) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- d) Financial assets at fair value through profit or loss.

Financial assets at amortised cost

A financial asset is measured at amortised cost, if both the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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 which are classified at amortised cost include trade and other receivables, amounts due from related parties and cash and bank balances.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.6 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial instruments continued

i) Financial assets continued

Financial assets at fair value through OCI (debt instruments)

A financial asset is measured at fair value through other comprehensive income, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32: Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as 'dividend income' in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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 quoted equity investments which the Group had not irrevocably elected to classify at fair value through OCI.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.6 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial instruments continued

i) Financial assets continued

Derecognition of financial assets

The Group derecognises a financial asset only when:

- the contractual rights to the cash flows from the asset expire; or
- it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

ii) Financial liabilities

All financial liabilities are classified as subsequently measured at amortised cost, except for:

- financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts; and
- commitments to provide a loan at a below-market interest rate.

At initial recognition, the Group may irrevocably designate a financial liability as measured at fair value through profit or loss when permitted, or when doing so results in more relevant information, because either:

- it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
- a financial liability is managed, and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the entity's key management personnel.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

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.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and deposits held with banks with the original maturity of three months or less, net of bank overdrafts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued**2.6 MATERIAL ACCOUNTING POLICY INFORMATION** continued**Inventories**

Inventories are valued at the lower of cost and net realisable value ("NRV") after making due allowance for any obsolete or slow moving items. Cost is determined on the weighted average cost basis and comprises raw materials, wages and industrial costs that contribute in transforming raw materials into finished products, invoiced cost, duties, freight charges and other related expenses that have been incurred in bringing the inventory to their present location and condition. NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and sale. The costs of sale include directly attributable marketing and distribution costs.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are charged to the consolidated statement of profit or loss in the period in which they are incurred.

Depreciation is charged so as to write off the cost or valuation of assets, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The principal annual rates used for this purpose are as follows:

	<i>Years</i>
Factory building and leasehold improvements	10 - 40
Plant and machinery	28 - 60
Kitchen equipment	2-5
Tents and caravans	4
Furniture fixtures and office equipment	2-15
Motor vehicles	2-10

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.6 MATERIAL ACCOUNTING POLICY INFORMATION continued

Impairment of non-financial assets continued

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior periods. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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.

Contingent assets are not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Fair value of financial instruments

The Group measures financial instruments, such as, investments carried at fair value through profit or loss, at fair value at the consolidated statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the advantageous market to which Group has access at that 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;
- 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. 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.

For financial instruments quoted in an active market fair value is determined by reference to quoted market prices. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.6 MATERIAL ACCOUNTING POLICY INFORMATION continued

Fair value of financial instruments continued

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include comparison with similar instruments for which market observable prices exist, adjusted net asset method and other relevant valuation models.

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.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized 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 recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value 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.

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.

i) **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 estimated useful life of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'impairment of non-financial assets' policy.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.6 MATERIAL ACCOUNTING POLICY INFORMATION continued

Leases continued

Group as a lessee continued

ii) 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 the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'general and administrative expenses' in the consolidated statement of profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if 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 in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

iii) Short-term leases and leases of low-value assets

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). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

The Group enters into lease agreements as a lessor with respect to some of its tents and caravans.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.6 MATERIAL ACCOUNTING POLICY INFORMATION continued

Leases continued

Group as a lessor continued

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate consideration under the contract to each component.

Value added tax (VAT)

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

- When VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
- 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.

Provision for employees' end of service benefits

The Group provides end of service benefits to its employees. 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.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law No. (2), 2000 for Pension and Social Security. Such contributions are charged to the consolidated statement of profit or loss during the employees' period of service.

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.6 MATERIAL ACCOUNTING POLICY INFORMATION continued

(Loss) earnings per share

Basic (loss) earnings per share is calculated by dividing:

- The (loss) profit of the Group, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares if any.

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:

- a) Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- b) Held primarily for the purpose of trading;
- c) Expected to be realised within twelve months after the reporting period; or
- d) 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:

- a) It is expected to be settled in the normal operating cycle;
- b) It is held primarily for the purpose of trading;
- c) It is due to be settled within twelve months after the reporting period; or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

UAE Corporate Tax

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime is effective from 1 June 2023 and accordingly, it has an income tax related impact on the financial statements for accounting periods beginning on or after 1 June 2023.

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

The UAE CT Law shall apply to the Group with effect from 1 January 2024. The MoF continue to issue supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions) to further clarify certain aspects of the UAE CT Law. Such Decisions, and other interpretive guidance of the UAE Federal Tax Authority, are required to fully evaluate the impact of the UAE CT Law on the Group.

Since the provisions of UAE CT law will apply to Tax Periods commencing on or after 1 June 2023, the related current taxes shall be accounted for in the consolidated financial statements for the period beginning 1 January 2024. However, the related deferred tax accounting impact has been considered for the financial year ended 31 December 2023. Following assessment of the potential impact of the UAE CT Law on the balance sheet, management do not consider there to be material temporary differences on which deferred taxes should be accounted.

The Group will continue to monitor the publication of subsequent decisions and related guidance, as well as continuing its more detailed review of its financial matters, to consider any changes to the position at subsequent reporting dates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

3 BUSINESS COMBINATION**Business Combination under common control – Acquisition of Apex Holding LLC**

As stated in note 1, in 2021, the Company received and approved an offer from the shareholders of Apex to transfer 100% of the shareholding of Apex to the Company (the “Transaction”). On 1 March 2022 (the “Acquisition Date”) all regulatory approvals related to the Transaction were received, and the entire issued share capital of Apex was transferred to the Company in consideration for the issuance of mandatory convertible bonds by the Company to Apex’s shareholders. The convertible instruments were converted into 3,050,077,467 ordinary shares at a par value of AED 1 each representing 85.8% of the issued share capital of the post-merger combined entity.

Apex is based in the United Arab Emirates and is involved in providing food catering, ready-made food catering contracts (meal preparation), camps and labor accommodation management, facilities management services, onshore and offshore oil and gas fields and facilities services, sale and rental of tents and shades, tailoring producing tents pavilions, organizing parties and events and providing interior design work. During the second quarter of 2022, the Company completed its assessment and concluded that the transaction represents a business combination of entities under common control which is outside the scope of IFRS 3 given that the Company and the acquired entity are ultimately controlled by the same party before and after the acquisition. Accordingly, consistent with the Group accounting policy, the Company accounted for the transaction using the pooling of interest method.

Business Combination under common control – Acquisition of Apex Holding LLC

The following table summarises the assets acquired and liabilities assumed:

	<i>Total</i> <i>AED</i>
2022	
Assets	
Property, plant and equipment	12,726,735
Intangible assets	6,882,615
Right of use of assets	162,323
Inventories	4,970,697
Financial assets carried at fair value through profit or loss	508,498,999
Amounts due from related parties	205,925,594
Trade and other receivables	738,927,686
Cash and bank balances	<u>25,428,780</u>
	<u>1,503,523,429</u>
Liabilities	
Provision for employees’ end of service benefits	2,426,506
Amounts due to related parties	27,630,169
Lease liabilities	129,644
Trade and other payables	<u>224,169,746</u>
	<u>254,356,065</u>
Total identifiable net assets acquired	1,249,167,364
Purchase consideration transferred	<u>3,050,077,467</u>
Merger reserve	<u>(1,800,910,103)</u>
<i>Analysis of cash flows on acquisition:</i>	
Net cash acquired on business combination	25,428,780
Cash paid	<u>-</u>
Net cash flow on acquisition (included in cash flows from investing activities)	<u>25,428,780</u>

Apex Investment PSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4 REVENUES

	<i>2023</i>	<i>2022</i>
	<i>AED</i>	<i>AED</i>
Catering services	328,540,384	389,708,938
Sale of cement	146,078,740	101,205,426
Facility management services	119,329,423	128,219,439
Contracting services	112,539,045	34,396,768
Sale of tents	<u>17,000,000</u>	<u>166,768,844</u>
	<u>723,487,592</u>	<u>820,299,415</u>

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	<i>2023</i>	<i>2022</i>
	<i>AED</i>	<i>AED</i>
Timing of revenue recognition		
Goods and services transferred at a point in time	514,896,836	520,934,339
Goods and services transferred over time	<u>208,590,756</u>	<u>299,365,076</u>
	<u>723,487,592</u>	<u>820,299,415</u>
Geographical location:		
Within United Arab Emirates	707,384,169	790,783,951
Outside United Arab Emirates	<u>16,103,423</u>	<u>29,515,464</u>
	<u>723,487,592</u>	<u>820,299,415</u>

5 COST OF SALES

	<i>2023</i>	<i>2022</i>
	<i>AED</i>	<i>AED</i>
Food and beverage costs	180,254,249	185,790,985
Staff costs	136,103,561	99,112,691
Sale of cement	106,729,323	84,463,763
Contracting cost	77,101,030	28,727,412
Depreciation of property, plant and equipment (note 7)	31,124,446	22,489,746
Facility management expenses	26,869,225	12,377,077
Sale of tents	12,221,100	133,820,185
Repairs and maintenance costs	10,984,105	13,156,259
Utilities and rent expenses	8,363,646	11,427,332
Depreciation on right-of-use assets (note 18)	555,758	67,862
Amortization of intangible assets	41,378	110,853
Others	<u>5,720,294</u>	<u>3,773,525</u>
	<u>596,068,115</u>	<u>595,317,690</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

6 GENERAL AND ADMINISTRATIVE EXPENSES

	2023 AED	2022 AED
Staff costs	50,152,748	36,376,085
(Reversal of) provision for expected credit loss on trade receivable and amount due from related parties, net (note 11 and 17)	(11,103,330)	12,263,634
Professional and consulting fees	5,394,450	7,410,884
Utilities and rent expenses	3,530,017	2,497,406
Repair and maintenance costs	2,865,893	1,425,613
Depreciation on property, plant and equipment (note 7)	1,040,924	540,921
Marketing and distribution expenses	916,438	1,890,556
Board of director's remuneration (note 17.3)	1,448,985	3,190,550
Others	<u>3,245,206</u>	<u>2,006,131</u>
	<u>57,491,331</u>	<u>67,601,780</u>

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31 December 2023

7 PROPERTY, PLANT AND EQUIPMENT

	Factory building and leasehold improvements AED	Plant and machinery AED	Kitchen equipment AED	Tents and caravans AED	Furniture fixtures and office equipment AED	Motor vehicles AED	Capital work in progress AED	Total AED
2023								
Cost								
At 1 January 2023	35,176,464	834,049,386	10,916,120	31,888,356	15,675,129	15,511,240	1,227,706	944,444,401
Additions	3,461,414	495,790	8,544,721	4,789,135	6,282,699	3,227,825	235,568	27,037,152
Write-offs	-	-	-	-	-	-	(882,000)	(882,000)
Disposals	(5,393)	(137,485)	(29,000)	(155,490)	(15,586)	(857,694)	-	(1,200,648)
At 31 December 2023	<u>38,632,485</u>	<u>834,407,691</u>	<u>19,431,841</u>	<u>36,522,001</u>	<u>21,942,242</u>	<u>17,881,371</u>	<u>581,274</u>	<u>969,398,905</u>
Accumulated depreciation								
At 1 January 2023	22,877,159	533,524,454	3,752,770	9,075,414	12,968,026	6,998,252	-	589,196,075
Charge for the year	575,333	14,082,006	4,868,033	7,714,790	2,477,805	2,447,403	-	32,165,370
Relating to disposals	(5,393)	-	(4,250)	(59,373)	(8,465)	(738,529)	-	(816,010)
At 31 December 2023	<u>23,447,099</u>	<u>547,606,460</u>	<u>8,616,553</u>	<u>16,730,831</u>	<u>15,437,366</u>	<u>8,707,126</u>	<u>-</u>	<u>620,545,435</u>
Net carrying amount								
At 31 December 2023	<u>15,185,386</u>	<u>286,801,231</u>	<u>10,815,288</u>	<u>19,791,170</u>	<u>6,504,876</u>	<u>9,174,245</u>	<u>581,274</u>	<u>348,853,470</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

7 PROPERTY, PLANT AND EQUIPMENT continued

2022	Factory building and leasehold improvements AED	Plant and machinery AED	Kitchen equipment AED	Tents and caravans AED	Furniture fixtures and office equipment AED	Motor vehicles AED	Capital work in progress AED	Total AED
Cost								
At 1 January 2022	29,412,412	825,734,576	-	-	6,079,906	5,571,507	927,590	867,725,991
Acquired in business combination (note 3)	4,772,969	7,608,582	5,164,037	9,315,758	8,026,000	3,951,301	-	38,838,647
Additions	435,000	562,459	5,752,083	22,916,966	1,609,722	5,988,432	1,175,361	38,440,023
Transfers	556,083	243,778	-	-	-	-	(799,861)	-
Disposals	-	(100,009)	-	(344,368)	(40,499)	-	(75,384)	(560,260)
At 31 December 2022	<u>35,176,464</u>	<u>834,049,386</u>	<u>10,916,120</u>	<u>31,888,356</u>	<u>15,675,129</u>	<u>15,511,240</u>	<u>1,227,706</u>	<u>944,444,401</u>
Accumulated depreciation								
At 1 January 2022	17,677,038	512,608,634	-	-	5,948,131	3,980,944	-	540,214,747
Acquired in business combination (note 3)	4,672,841	7,000,353	1,447,267	5,302,142	6,207,196	1,482,113	-	26,111,912
Charge for the year	527,280	14,015,474	2,305,503	3,813,677	833,538	1,535,195	-	23,030,667
Relating to disposals	-	(100,007)	-	(40,405)	(20,839)	-	-	(161,251)
At 31 December 2022	<u>22,877,159</u>	<u>533,524,454</u>	<u>3,752,770</u>	<u>9,075,414</u>	<u>12,968,026</u>	<u>6,998,252</u>	<u>-</u>	<u>589,196,075</u>
Net carrying amount								
At 31 December 2022	<u>12,299,305</u>	<u>300,524,932</u>	<u>7,163,350</u>	<u>22,812,942</u>	<u>2,707,103</u>	<u>8,512,988</u>	<u>1,227,706</u>	<u>355,248,326</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

7 PROPERTY AND EQUIPMENT continued

Depreciation charge for the year has been allocated as follows:

	2023 AED	2022 AED
Cost of sales (note 5)	31,124,446	22,489,746
General and administrative expenses (note 6)	<u>1,040,924</u>	<u>540,921</u>
	<u>32,165,370</u>	<u>23,030,667</u>

8 INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

The Company has the following investments in equity-accounted investees:

Investees	Classification	Principal activities	Country of incorporation	Equity %	
				2023	2022
Reem Ready Mix L.L.C	Associate	Engaged in business of manufacture and sale of concrete ready mix and providing concrete pumping services	UAE	20%	20%
Sky Go Transport of Goods LLC	Joint venture	Engaged in Air transportation for goods using unmanned aerial vehicles (Drones)	UAE	50%	50%
APHE Restaurants Management LLC	Joint venture	Engaged in Restaurants Management specializing in the food and beverages sector	UAE	50%	-
				2023 AED	2022 AED
Reem Ready Mix L.L.C				26,025,104	30,450,965
Sky Go Transport of Goods LLC				230,928	2,259,130
APHE Restaurants Management LLC*				<u>12,548,926</u>	<u>-</u>
				<u>38,804,958</u>	<u>32,710,095</u>

* During the year, APHE Restaurants Management LLC, a joint venture, was established as a result of agreement between HEDEF and Apex Commercial Investment – SPLLC. APHE Restaurants Management LLC is a limited liability company established in the Emirate of Abu Dhabi, UAE, specializing in the food and beverages sector. The business exclusively involves the sale of halal products and strictly excludes the sale of alcohol.

The movement in investment in equity accounted investees is as follows:

	2023 AED	2022 AED
Opening balance	32,710,095	35,534,098
Additional investment during the year	13,961,250	3,675,000
Share of loss for the year	<u>(7,866,387)</u>	<u>(6,499,003)</u>
	<u>38,804,958</u>	<u>32,710,095</u>

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8 INVESTMENTS IN EQUITY ACCOUNTED INVESTEES continued

The summarised financial information of the associate (Reem Ready Mix L.L.C) as at 31 December 2023 and 2022 is as follows:

	<i>2023</i>	<i>2022</i>
	<i>AED</i>	<i>AED</i>
Current assets		
Cash and cash equivalents	1,829,202	1,826,478
Other current assets	<u>85,830,783</u>	<u>116,130,870</u>
	<u>87,659,985</u>	<u>117,957,348</u>
Non-current assets	<u>31,603,294</u>	<u>43,009,020</u>
Current liabilities:		
Financial liabilities (excluding trade payables)	(15,705,513)	(44,898,535)
Other current liabilities	<u>(75,304,553)</u>	<u>(66,632,818)</u>
	<u>(91,010,066)</u>	<u>(111,531,353)</u>
Non-current liabilities	<u>(3,683,252)</u>	<u>(3,053,148)</u>
Net assets	<u>24,569,961</u>	<u>46,381,867</u>
Group's share in net assets	4,913,992	9,276,374
Goodwill	<u>21,111,112</u>	<u>21,174,591</u>
Carrying amount	<u>26,025,104</u>	<u>30,450,965</u>
Total revenue	<u>128,676,610</u>	<u>144,477,073</u>
Net loss for the year	<u>(22,129,304)</u>	<u>(25,415,667)</u>
Share of associate's loss for the year	<u>(4,425,861)</u>	<u>(5,083,133)</u>
Share of contingent liabilities	<u>3,104,333</u>	<u>6,888,369</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

8 INVESTMENTS IN EQUITY ACCOUNTED INVESTEES continued

The summarised financial information of the joint venture (Sky Go Transport of Goods LLC) as at 31 December 2023 is as follows:

	<i>2023</i>	<i>2022</i>
	<i>AED</i>	<i>AED</i>
Current assets		
Cash and cash equivalents	1,488,100	1,631,269
Other current assets	<u>13,739,724</u>	<u>3,129,215</u>
	15,227,824	4,760,484
Non-current assets	<u>71,334</u>	<u>107,976</u>
Current liabilities		
Financial liabilities (excluding trade payables)	(5,924,914)	-
Other current liabilities	<u>(8,912,389)</u>	<u>(350,200)</u>
	(14,837,303)	(350,200)
Non-current liabilities	<u>-</u>	<u>-</u>
Net assets	<u>461,855</u>	<u>4,518,260</u>
Group's share in net assets	<u>230,928</u>	<u>2,259,130</u>
Carrying amount	<u>230,928</u>	<u>2,259,130</u>
Total revenue	<u>118,100</u>	<u>-</u>
Net loss for the year	<u>(4,416,404)</u>	<u>(2,831,740)</u>
Share of venture's loss for the year	<u>(2,208,202)</u>	<u>(1,415,870)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

8 INVESTMENTS IN EQUITY ACCOUNTED INVESTEES continued

The summarised financial information of the joint venture (APHE Restaurants Management LLC) as at 31 December 2023 is as follows:

	<i>2023</i> <i>AED</i>
Current assets	
Cash and cash equivalents	1,100,000
Other current assets	<u>9,376,260</u>
	<u>10,476,260</u>
Non-current assets	<u>927,860</u>
Current liabilities	
Financial liabilities (excluding trade payables)	-
Other current liabilities	<u>(87,517)</u>
	<u>(87,517)</u>
Non-current liabilities	<u>-</u>
Net assets	<u>11,316,603</u>
Group's share in net assets	5,658,302
Goodwill	<u>6,890,624</u>
Carrying amount	<u>12,548,926</u>
Total revenue	<u>-</u>
Net loss for the year	<u>(2,464,647)</u>
Share of venture's loss for the year	<u>(1,232,324)</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

9 FINANCIAL ASSETS

	2023 AED	2022 AED
Financial assets carried at FVTPL	450,834,185	587,147,884
Financial assets carried at FVTOCI	<u>144,322,521</u>	<u>188,717,187</u>
	<u>595,156,706</u>	<u>775,865,071</u>
Financial assets carried at FVTPL		
<i>Quoted investments</i>		
Opening balance	587,147,884	41,300,363
Additions – acquired under business combination (note 3)	-	508,498,999
Additions	6,767,522	12,871,249
Change in fair value	(132,462,765)	32,841,833
Gain on sale of investments carried at FVTPL	3,029,396	1,081,240
Disposals	<u>(13,647,852)</u>	<u>(9,445,800)</u>
Closing balance	<u>450,834,185</u>	<u>587,147,884</u>
Financial assets carried at FVTOCI		
<i>Quoted and unquoted investments</i>		
Opening balance	188,717,187	211,076,425
Change in fair value	<u>(44,394,666)</u>	<u>(22,359,238)</u>
Closing balance	<u>144,322,521</u>	<u>188,717,187</u>
Total quoted securities	143,036,245	183,648,821
Unquoted securities	<u>1,286,276</u>	<u>5,068,366</u>
	<u>144,322,521</u>	<u>188,717,187</u>

The geographical distribution of investments is as follows:

	2023 AED	2022 AED
UAE	<u>595,156,706</u>	<u>775,865,071</u>

The investments are recorded at fair value using the valuation techniques as disclosed in note 22.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

10 INVENTORIES

	2023 AED	2022 AED
Work in progress	20,155,360	6,626,992
Raw materials	19,339,208	13,900,580
Consumable items	6,535,151	3,803,834
Finished goods	3,538,380	7,342,095
Spare parts – maintenance	<u>32,627,627</u>	<u>31,094,959</u>
Total	82,195,726	62,768,460
Less: allowance for slow-moving and obsolete inventories	<u>(5,975,334)</u>	<u>(4,975,334)</u>
Total	<u>76,220,392</u>	<u>57,793,126</u>

Movement in the allowance for slow-moving and obsolete inventories is as follows:

	2023 AED	2022 AED
Opening balance	4,975,334	4,618,160
Acquired in business combination	-	357,174
Charge for the year	<u>1,000,000</u>	<u>-</u>
	<u>5,975,334</u>	<u>4,975,334</u>

11 TRADE AND OTHER RECEIVABLES

	2023 AED	2022 AED
Trade receivables – from government entities	140,830,748	529,604,430
Trade receivables – from non-government entities	66,800,845	90,236,707
Unbilled receivables – from government entities	57,931,111	8,688,161
Unbilled receivables – from non-government entities	<u>18,641,120</u>	<u>12,931,001</u>
	284,203,824	641,460,299
Less: provision for expected credit losses	<u>(15,960,732)</u>	<u>(31,914,486)</u>
Trade receivables – net	268,243,092	609,545,813
Deposits	17,239,543	13,467,703
Prepayments	9,156,195	10,549,736
Accrued income	7,934,286	-
Retention receivables	9,335,564	-
Advances to suppliers	7,584,143	3,733,407
Other receivables (net)*	<u>13,332,548</u>	<u>2,576,843</u>
	<u>332,825,371</u>	<u>639,873,502</u>

* Other receivables (net) includes amount receivable from a supplier amounting to AED 1,921,305 (31 December 2022: AED 4,475,179) against which specific provision has been made by the Group.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

11 TRADE AND OTHER RECEIVABLES continued

Trade receivable balance at the end of the year is due from multiple customers including receivable from 5 customers amounting to AED 285,825,824 (31 December 2022: AED 564,867,660) representing 86% (31 December 2022: 88%) of the trade receivables. Management considers these customers to be reputable and creditworthy and is confident that this concentration of credit risk will not result in any significant loss to the Group.

The movement in the provision for expected credit losses for trade and unbilled receivables was as follows:

	2023 AED	2022 AED
Opening balance	31,914,486	13,048,846
Acquired in business combination	-	10,840,022
(Reversal) / charge for the year	(15,937,126)	10,438,295
Write off	<u>(16,628)</u>	<u>(2,412,677)</u>
Closing balance	<u>15,960,732</u>	<u>31,914,486</u>

	Total AED	0-90 days AED	Past due 90-180 days AED	180-270 days AED	270-360 days AED	More than 360 days AED
At 31 December 2023						
Expected credit loss rate		0.33%	0.33%	0.33%	0.33%	0.33%
Estimated total gross carrying amount at default – government trade and unbilled receivables	198,761,859	162,016,097	13,442,898	20,316,717	1,797,592	1,188,555
Expected credit loss	652,038	531,494	44,099	66,649	5,897	3,899
Expected credit loss rate		3.64%	13.28%	41.89%	89.46%	99.82%
Estimated total gross carrying amount at default – non-government trade and unbilled receivables	85,441,965	64,803,715	8,608,175	318,420	177,070	11,534,585
Expected credit loss	15,308,694	2,359,844	1,143,101	133,386	158,409	11,513,954
Expected credit loss rate		1.27%	5.38%	0.97%	8.32%	90.53%
Estimated total gross carrying amount at default – trade and unbilled receivables	284,203,824	226,819,812	22,051,073	20,635,137	1,974,662	12,723,140
Expected credit loss	15,960,732	2,891,338	1,187,200	200,035	164,306	11,517,853
	Total AED	0-90 days AED	Past due 91-180 days AED	181-270 days AED	271-360 days AED	More than 180 days AED
At 31 December 2022						
Expected credit loss rate		0.33%	0.33%	0.33%	0.33%	0.33%
Estimated total gross carrying amount at default – government trade and unbilled receivables	538,292,591	94,008,526	117,723,310	107,053,052	209,622,737	9,884,966
Expected credit loss	1,766,038	308,564	386,191	351,188	687,667	32,428
Expected credit loss rate		7.88%	34.72%	40.52%	17.77%	100.00%
Estimated total gross carrying amount at default – non-government trade and unbilled receivables	103,167,708	71,229,895	8,376,227	526,355	1,973,071	21,062,160
Expected credit loss	30,148,448	5,613,886	2,908,584	213,289	350,529	21,062,160
Expected credit loss rate		3.58%	2.61%	0.52%	0.49%	68.16%
Estimated total gross carrying amount at default – trade and unbilled receivables	641,460,299	165,238,421	126,099,537	107,579,407	211,595,808	30,947,126
Expected credit loss	31,914,486	5,922,450	3,294,775	564,477	1,038,196	21,094,588

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

12 CASH AND BANK BALANCES

	2023 AED	2022 AED
Cash on hand	1,691,476	928,042
<i>Bank balances:</i>		
Current accounts	301,089,793	141,665,312
Term deposits	10,290	10,195
Fixed deposits with an original maturity of less than three months	<u>305,000,000</u>	<u>-</u>
Cash and bank balances	607,791,559	142,603,549
Less: Term deposits	(10,290)	(10,195)
Less: bank overdrafts (note 19)	<u>(21,604,585)</u>	<u>(15,461,358)</u>
Cash and cash equivalents	<u>586,176,684</u>	<u>127,131,996</u>

13 SHARE CAPITAL

	2023 AED	2022 AED
Authorised, issued and fully paid		
3,553,195,467 ordinary shares of AED 1 each	<u>3,553,195,467</u>	<u>3,553,195,467</u>

During 2022, the Company issued 3,050,077,467 shares towards purchase consideration for the acquisition of a subsidiary and accordingly the issued share capital of the Company increased to 3,553,195,467 shares (note 3).

14 RESERVES

14.1 Statutory reserve

As required by the Decree Law No. (32) of 2021, a minimum of 5% of the profit for the year is to be allocated annually to a non-distributable statutory reserve account and such appropriation shall be suspended when the reserve balance reaches an amount equal to 50% of the Company's paid-up capital. Such appropriation will be resumed whenever the reserve balance becomes less than 50% of the Company's paid-up capital.

14.2 Voluntary reserve

The requirement to allocate additional 10% of the annual profit to the voluntary reserve has been eliminated on account of update in the articles of association of the Company during the year. Accordingly, this allocation is no longer mandatory and can be determined solely by the board of directors, or it may be suspended if the reserve balance reaches 20% of the Company's paid-up capital. The reserve remains available for use by the Company in accordance with the resolutions passed by the board of directors.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

15 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

The details of movement in this item during the year are as follows:

	<i>2023</i>	<i>2022</i>
	<i>AED</i>	<i>AED</i>
Balance at 1 January	5,620,240	1,111,659
Acquisition of subsidiary (note 3)	-	2,426,506
Charge during the year	4,040,203	2,434,121
Paid during the year	<u>(1,561,438)</u>	<u>(352,046)</u>
	<u>8,099,005</u>	<u>5,620,240</u>

16 TRADE AND OTHER PAYABLES

	<i>2023</i>	<i>2022</i>
	<i>AED</i>	<i>AED</i>
Trade payables	105,573,226	115,209,624
Accruals	50,235,069	30,734,593
Retention payable	12,853,751	-
Dividends payable	-	3,951,326
Other payables*	<u>11,465,545</u>	<u>9,188,483</u>
	<u>180,127,591</u>	<u>159,084,026</u>

* This includes balance payable to APHE joint venture partner amounting to AED 5,433,297 as per the SHA agreement entered on 6 April 2023.

17 RELATED PARTY BALANCES AND TRANSACTIONS

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in the International Accounting Standard (IAS) 24 *Related Party Disclosures*. These represent transactions with related parties, i.e., shareholders, associates, affiliates, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

17.1 Balances

Balances with related parties included in the consolidated statement of financial position are as follows:

	<i>2023</i>	<i>2022</i>
	<i>AED</i>	<i>AED</i>
<i>Amounts due from shareholders:</i>		
Chimera Investments LLC	-	60,000
	<u>-</u>	<u>60,000</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

17 RELATED PARTY BALANCES AND TRANSACTIONS continued

17.1 Balances continued

	2023 AED	2022 AED
<i>Amounts due from related parties:</i>		
ATGC Transport & GC LLC-AR*	75,541,519	74,858,643
National Petroleum Construction Company (NPCC)	30,242,653	52,144,666
International Securities L.L.C.	23,880,330	-
Tamouh Healthcare LLC	22,817,443	91,725,550
Moon Flower Real Estate Development LLC	16,240,556	9,753,633
Construction Workers Residential City LLC	6,352,582	6,400,512
Al Ataa Investment LLC	3,815,083	-
Sky Go Transport of Goods LLC	2,533,793	-
Rafed Healthcare Supplies L.L.C.	2,195,004	-
National Marine Dredging Company PJSC (NMDC)	778,999	733,443
International Holding Company PJSC (IHC) (Standalone)	623,526	44,730
Shory Insurance Brokers – Sole Proprietorship LLC	413,536	342,232
Tamouh Healthcare Group LLC	366,639	-
Somerian Health LLC	225,115	67,312
Telal Resort LLC	65,673	49,468
Sanimed International Lab and Management LLC	10,718	-
National Health Insurance Company (Daman) PJSC – Standalone	6,840	-
Sirius International Holding Limited	6,306	-
Oxinus Holding Limited	5,715	-
Al Qudra Holding- International LLC	-	26,775
Al Seer Marine Supplies and Equipment Company PJSC	-	2,773
Abu Dhabi Health Services Company PJSC	-	1,422,124
Viola Communications LLC	-	186,311
	<u>186,122,030</u>	<u>237,818,172</u>
Total amounts due from related parties	<u>186,122,030</u>	<u>237,818,172</u>
Less: provision for expected credit loss	<u>(9,699,398)</u>	<u>(4,865,602)</u>
	<u>176,422,632</u>	<u>232,952,570</u>

* This includes short term loans given by the Group for meeting the working capital requirements of ATGC Transport & General Contracting LLC-AR. These are interest free loans and are repayable in a single instalment on 8 April 2024.

The movement in provision for expected credit losses was as follows:

	2023 AED	2022 AED
Opening balance	4,865,602	-
Acquisition of subsidiary	-	3,040,263
Net charge for the year	<u>4,833,796</u>	<u>1,825,339</u>
Closing balance	<u>9,699,398</u>	<u>4,865,602</u>

Apex Investment PSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

17 RELATED PARTY BALANCES AND TRANSACTIONS continued

17.1 Balances continued

	2023 AED	2022 AED
<i>Amounts due to related parties:</i>		
Zee Stores International LLC	14,336,987	16,446,095
N.R.T.C Dubai International Vegetables & Fruits Trading LLC	13,625,981	2,983,654
Malah Investments LLC	6,712,519	-
Royal Horizon General Trading	3,419,916	185,168
Alliance Food Company LLC	1,461,260	1,047,607
Al Ain farms for Live Stock production	1,342,473	-
Newtec Investment General Trading SP LLC	630,000	-
PAL Cooling Holding LLC (PCH) (Standalone)	495,703	-
Abu Dhabi Vegetable Oil Company LLC	23,415	181,509
Mirak Royal Nature Fruits & Vegetables LLC	-	5,294,654
Al Jaraf Travel & Tourism	-	327,813
Newtec Investment General Trading SP LLC	-	690,000
Pal Technology Services	-	1,758,587
Ghitha Holding PJSC	-	69,075
Protect 7 Healthcare – Sole Proprietorship LLC	-	10,743
National Health Insurance Company (Daman) PJSC	-	351,542
	<u>42,048,254</u>	<u>29,346,447</u>

17.2 Transactions

During the year, the Group entered into the following transactions with related parties:

	2023 AED	2022 AED
Sales	168,818,732	251,938,617
Cost of sales	141,831,588	60,417,056

17.3 Key management remuneration

	2023 AED	2022 AED
Salaries and employee benefits	8,465,252	4,924,716
Employees end of service benefits	144,573	134,271
Board of director's remuneration (note 6)	<u>1,448,985</u>	<u>3,190,550</u>
Total	<u>10,058,810</u>	<u>8,249,537</u>

Apex Investment PSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

18 LEASES

Set out below, are the carrying amounts of the Group's right-of-use asset and lease liabilities and the movements during the period:

	<i>Right-of-use assets AED</i>	<i>Lease liabilities AED</i>
2023		
As at 1 January 2023	16,666,737	1,540,978
Depreciation expense	(555,758)	-
Interest expense	-	118,279
Payments during the year	<u>-</u>	<u>(67,500)</u>
As at 31 December 2023	<u>16,110,979</u>	<u>1,591,757</u>
2022		
As at 1 January 2022	-	-
Acquired through business combination (note 3)	162,323	129,644
Additions	16,672,712	1,672,712
Depreciation expense	(67,862)	-
Cancellation of lease during the year	(100,436)	(134,755)
Interest expense	-	8,377
Payments during the year	<u>-</u>	<u>(135,000)</u>
As at 31 December 2022	<u>16,666,737</u>	<u>1,540,978</u>

Lease liabilities is analysed in the consolidated statement of financial position as follows:

	<i>2023 AED</i>	<i>2022 AED</i>
Current	17,467	15,468
Non-current	<u>1,574,290</u>	<u>1,525,510</u>
	<u>1,591,757</u>	<u>1,540,978</u>

The following are the amounts summarized in the consolidated statement of profit or loss as follows:

	<i>2023 AED</i>	<i>2022 AED</i>
Depreciation expense of right-of-use assets	555,758	67,862
Interest expense on lease liabilities	<u>118,279</u>	<u>8,377</u>
Total	<u>674,037</u>	<u>76,239</u>

Apex Investment PSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

19 SHORT TERM BORROWINGS

	<i>2023</i>	<i>2022</i>
	<i>AED</i>	<i>AED</i>
Short term loans	-	1,158,655
Bank overdrafts (note 12)	<u>21,604,585</u>	15,461,358
	<u>21,604,585</u>	<u>16,620,013</u>

Movement of the short-term loans during the year was as follows:

	<i>2023</i>	<i>2022</i>
	<i>AED</i>	<i>AED</i>
Opening balance	1,158,655	8,110,580
Paid during the year	<u>(1,158,655)</u>	<u>(6,951,925)</u>
Closing balance	<u>-</u>	<u>1,158,655</u>

Short term loans:

The Group obtained a term loan facility of AED 30,000,000 in 2017 to finance the construction of Waste Heat Recovery Plant at Ras Al Khaimah Factory. The loan was repayable in 48 equal monthly instalments. The loan carried an interest rate of 3 months EIBOR + 2.75% per annum, subject to a minimum of 4.25% per annum, which has been repaid during the year. The term loan is secured by:

- Pledge over Waste Heat Recovery Plant; and
- Assignment of comprehensive insurance policy on Waste Heat Recovery Plant.

Under the terms of the borrowing facilities, the Group is required to comply with the following financial covenants:

- Pledge over plant and machinery procured for Waste Heat Recovery plant project for AED 30 million in favour of the bank;
- Assignment of comprehensive insurance policy over plant and machinery for Waste Heat Recovery plant project for AED 30 million in favour of the bank and registration of such assignment with the security registry at the cost of the Group;
- The average Debt Service Coverage Ratio will not fall below 1.25:1 at any given point during the tenor of the loan;
- All assets of the Group are fully insured at all times during the tenor of the facility;
- The adjusted leverage ratio will be maintained at 1:1 or below at all times during the tenor of the loan.

Bank overdraft represents unsecured bank credit facilities from a financial institution in the United Arab Emirates up to a limit of AED 20 million. The facility bears interest at 3 months EIBOR + 2.75% per annum, subject to minimum of 4.5% per annum.

20 CONTINGENT LIABILITIES AND COMMITMENTS

	<i>2023</i>	<i>2022</i>
	<i>AED</i>	<i>AED</i>
Bank guarantees	<u>64,935,000</u>	<u>25,837,124</u>

The above bank guarantees were issued in the normal course of business.

Apex Investment PSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

21 (LOSS) EARNINGS PER SHARE

Basic (loss) earnings per share have been computed by dividing the (loss) profit for the year by the weighted average number of ordinary shares outstanding during the year.

	2023 AED	2022 AED
(Loss) profit for the year (in AED)	(58,433,109)	187,194,349
Weighted average number of shares (share)	<u>3,553,195,467</u>	<u>3,060,169,246</u>
Basic (loss) earnings per share	<u>(0.016)</u>	<u>0.061</u>

Diluted (loss) earnings per share as of 31 December 2023 and 31 December 2022 are equivalent to basic (loss) earnings per share.

22 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of trade and other receivables, financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income, amounts due from related parties, and cash and bank balances. Financial liabilities consist of trade and other payables, short term borrowings, lease liabilities and amounts due to related parties.

The fair values of the Group's financial instruments are not materially different from their carrying amounts at the reporting date.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities 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 gives information about how the fair value of the Group's assets are determined.

<i>Financial assets</i>	<i>Fair value</i> 2023 AED	<i>Fair value</i> 2022 AED	<i>Fair value</i> <i>hierarchy</i>	<i>Valuation techniques</i>
Quoted equity investments – investment in financial assets	593,870,430	770,796,705	Level 1	Quoted bid prices in an active market
Un-Quoted equity instruments – investment in financial assets	1,286,276	5,068,366	Level 3	Discounted cashflow method using multiple unobservable inputs.

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

23 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks; credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative or risk management purposes.

The following section discusses the entity's risk management policies. The measurement of ECL under IFRS 9 uses the information and approaches that the entity uses to manage credit risk, though certain adjustments are made in order to comply with the requirements of IFRS 9.

During the year ended 31 December 2023, the Group was not exposed to any significant financial risk, other than credit risk, interest rate risk and liquidity risk. The Group reviews and agrees policies for managing each of these risks and these policies are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group has adopted a policy of only dealing with creditworthy counter parties, however, significant revenue is generated by dealing with high profile well known customers, for whom the credit risk is assessed to be low.

The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such non-related counterparties. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the UAE Central Bank.

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Group 's performance to developments affecting a particular industry or geographic location. All balances with banks are with commercial banks in the United Arab Emirates.

The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counterparties fail to perform their obligations, generally approximates their carrying value. Balances with banks are not secured by any collateral.

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn.

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

Apex Investment PSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

23 FINANCIAL RISK MANAGEMENT continued

Liquidity risk continued

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December 2023 and 31 December 2022, based on contractual payment dates and current market interest rates.

	<i>Less than 3 months AED</i>	<i>From 3 months to one year AED</i>	<i>over 1 year AED</i>	<i>Total AED</i>
<i>As at 31 December 2023</i>				
Short term borrowings	21,604,585	-	-	21,604,585
Due to related parties	42,048,254	-	-	42,048,254
Trade and other payables	105,573,226	24,319,296	-	129,892,522
Lease liabilities	-	17,797	1,692,645	1,710,442
	<u>169,226,065</u>	<u>24,337,093</u>	<u>1,692,645</u>	<u>195,255,803</u>
<i>As at 31 December 2022</i>				
Short term borrowings	15,461,358	1,162,532	-	16,623,890
Due to related parties	29,346,447	-	-	29,346,447
Trade and other payables	115,209,624	13,139,809	-	128,349,433
Lease liabilities	-	135,000	3,915,000	4,050,000
	<u>160,017,429</u>	<u>14,437,341</u>	<u>3,915,000</u>	<u>178,369,770</u>

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debt. The Group is exposed to interest rate risk resultant from its short term borrowings.

The sensitivity analysis below has been determined based on the exposure to interest rates for borrowings at the reporting date. The analysis is prepared assuming that these amounts outstanding at the reporting date were outstanding throughout the period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of a reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables held constant, the Group's (loss) profit for the year ended 31 December 2023 would increase/decrease by AED 216,046 (31 December 2022: 166,200). There is no direct impact on the Group's equity.

Currency risk

Foreign currency risk comprises of transaction and statement of financial position risk. Transaction risk relates to the Group's cash flow being adversely affected by a change in the exchange rates of foreign currencies against UAE Dirhams. Statement of financial position risk relates to the risk of the Group's monetary assets and liabilities in foreign currencies acquiring a lower or higher value, when translated into UAE Dirhams, as a result of currency movements. The Group is not exposed to currency risk as the majority of its transactions are denominated in UAE Dirhams or United States Dollars which is pegged to the UAE Dirham.

Capital risk management

The Group manages its capital to ensure that it is able to continue as a going concern while maximising the return on stakeholders through the optimisation of the debts and equity balance.

The Group does not have a formalised optimal target capital structure or target ratios in connection with its capital risk management objectives. The Group's capital structure during the period comprises share capital, merger reserve, (accumulated losses) retained earnings, reserve for cumulative changes in revaluation of financial assets, statutory reserve and voluntary reserve and is measured at AED 1,945,628,146 (2022: AED 2,048,455,921).

Apex Investment PSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

24 SEGMENT INFORMATION

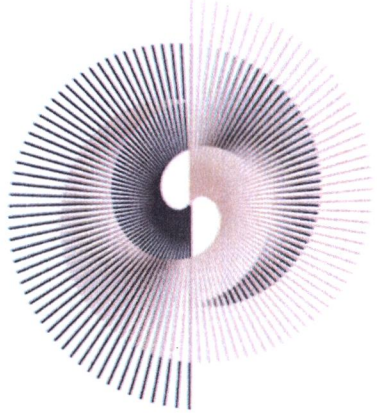
For operating purposes, the Group organised into business segments as follows:

- Catering** : Offers catering services to public and private organizations in UAE.
- Facility management Services** : Offers a range of facilities management services with customized solutions to various businesses across a variety of sectors.
- Manufacturing** : Engaged in the manufacturing and distribution of clinker and cements across UAE and internationally.
- Contracting** : Provides tents, shades and mobile halls to customers, building field hospitals and offers a wide range of services including planning, design consultancy and delivery of high end interiors.
- Investments** : Is the investment arm of the group and incubates new businesses and technologies as well as manages the proprietary capital of the group.
- Others** : (unallocated) includes head office expenses and income not allocated to any segment.

31 December 2023								
	Catering AED	Facility management services AED	Manufacturing AED	Contracting AED	Investments AED	Others AED	Inter segment eliminations AED	Group AED
Revenue	395,630,072	125,450,583	146,078,740	129,608,511	198,721	2,510,962	(75,989,997)	723,487,592
Cost of sales	<u>(348,183,727)</u>	<u>(87,579,778)</u>	<u>(138,465,434)</u>	<u>(97,829,173)</u>	-	-	75,989,997	<u>(596,068,115)</u>
Gross profit	47,446,345	37,870,805	7,613,306	31,779,338	198,721	2,510,962	-	127,419,477
General and administrative expenses	(10,583,361)	(10,649,449)	(3,176,249)	(7,793,944)	(935,229)	(24,353,099)	-	(57,491,331)
Share of loss from equity accounted investees	-	-	-	-	(7,866,387)	-	-	(7,866,387)
Net loss from financial assets at FVTPL	-	-	-	-	(129,433,369)	-	-	(129,433,369)
Dividend income	-	-	-	-	939,559	-	-	939,559
Other income	6,768,356	2,119,141	255,581	767,635	-	1,562	-	9,912,275
Finance costs	<u>(551,349)</u>	<u>(399,145)</u>	<u>(924,698)</u>	<u>(32,870)</u>	<u>(1,315)</u>	<u>(3,956)</u>	-	<u>(1,913,333)</u>
Profit (loss) for the year	<u>43,079,991</u>	<u>28,941,352</u>	<u>3,767,940</u>	<u>24,720,159</u>	<u>(137,098,020)</u>	<u>(21,844,531)</u>	-	<u>(58,433,109)</u>
31 December 2023								
Segment assets	1,032,222,868	228,166,759	412,020,099	371,568,380	4,191,036,326	14,354,509	(4,050,269,603)	2,199,099,338
Segment liabilities	175,003,799	49,631,922	92,867,120	194,488,483	185,978,693	172,281,215	(616,780,040)	253,471,192
31 December 2022								
	Catering AED	Facility management services AED	Manufacturing AED	Contracting AED	Investments AED	Others AED	Inter segment eliminations AED	Group AED
Revenue	390,144,437	151,484,039	101,205,426	201,165,612	-	-	(23,700,099)	820,299,415
Cost of sales	<u>(241,438,619)</u>	<u>(86,934,151)</u>	<u>(123,391,750)</u>	<u>(167,241,269)</u>	<u>(12,000)</u>	-	23,700,099	<u>(595,317,690)</u>
Gross profit (loss)	148,705,818	64,549,888	(22,186,324)	33,924,343	(12,000)	-	-	224,981,725
General and administrative expenses	(12,749,957)	(7,320,984)	(19,965,131)	(8,300,652)	(1,885,925)	(17,379,131)	-	(67,601,780)
Share of loss from equity accounted investees	-	-	-	-	(6,499,003)	-	-	(6,499,003)
Net gain from financial assets at FVTPL	-	-	-	-	33,923,073	-	-	33,923,073
Dividend income	-	-	-	-	783,537	-	-	783,537
Other income	-	1,544,418	1,444,636	23,581	-	-	-	3,012,655
Finance costs	<u>(225,436)</u>	<u>(82,807)</u>	<u>(1,077,575)</u>	<u>(18,135)</u>	<u>(768)</u>	<u>(1,117)</u>	-	<u>(1,405,838)</u>
Profit for the year	<u>135,730,425</u>	<u>58,690,515</u>	<u>(41,784,394)</u>	<u>25,629,137</u>	<u>26,308,914</u>	<u>(17,380,248)</u>	-	<u>187,194,349</u>
31 December 2022								
Segment assets	966,977,775	204,184,980	389,721,050	365,442,006	4,340,135,335	7,601,483	(4,013,395,004)	2,260,667,625
Segment liabilities	152,557,044	54,230,626	74,332,311	214,065,978	176,623,819	120,462,804	(580,060,878)	212,211,704

03

Governance Report



APEX
INVESTMENT PSC
ايبىكس للاستثمار ش.م.ع

Corporate Governance Report

2023

27/February/2024

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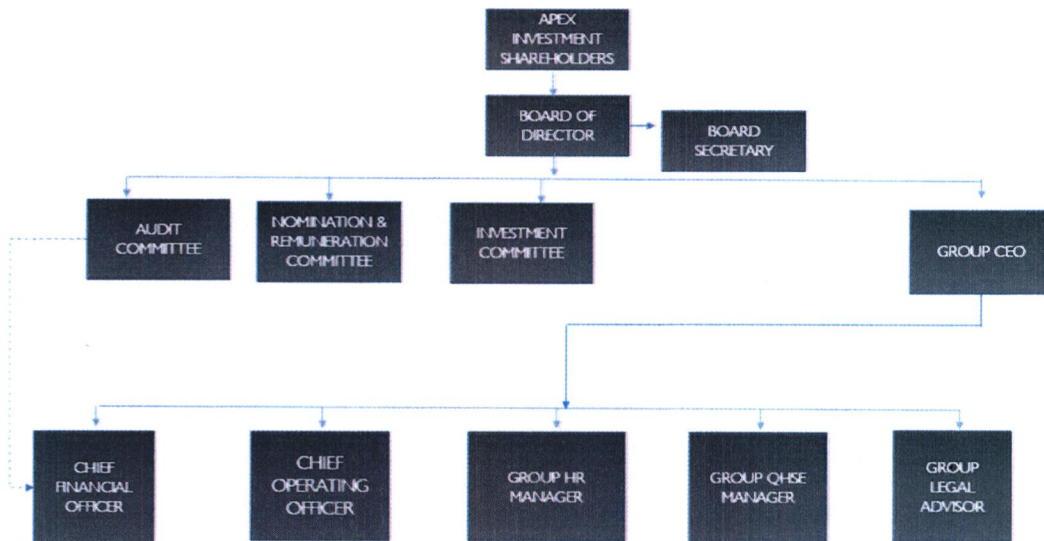
1. Introduction

Apex Investment PSC (“Apex” or “Apex Investment” or “Company”), along with its subsidiaries and affiliates (“Apex Group” or “Group”) is a diversified holding Company with investments across sectors including Commercial Catering, Facilities Management, Contracting and Auxiliary business, Investments, Tech and Big Data, among others.

With a core strategy to enhance shareholder value and achieve growth, Apex drives operational synergies and maximizes cost efficiencies across all verticals – it also continues to evaluate investment opportunities through direct ownership and entering partnerships in the UAE and abroad. As the world changes, and new opportunities arise, APEX remains focused on resilience, innovation and redefining the marketplace for itself, its clients, and its partners.

This report gives an overview of Apex’s corporate governance systems and procedures as of 31st December 2023, and has been filed with the Abu Dhabi Securities Exchange (ADX). This report is governed by the Resolution of the Board of the Securities and Commodities Authority (SCA) No. 3/Chairman of 2020 as amended from time to time on the Corporate Discipline and Governance Standards of Public Joint Stock Companies (Resolution 3/2020) and the format of this report is as prescribed by SCA.

2. Apex Investment Corporate Governance Structure



The shareholders are the ultimate decision-makers in respect of the direction of the Company. The General Assembly Meeting is the highest decision-making body in the Company and is the forum in which shareholders exercise their right to decide on the Company’s direction.

The Company is managed by the Board of Directors. The Board's principal duties are set out in the Board Charter, which include:

- Strategy Determination: overseeing and approving on an ongoing basis, the Company's long-term business strategy and strategic planning process;
- Risk management, compliance, policies and procedures: managing the Company's approach to corporate governance and ensuring the Company complies with applicable laws, regulations and internal policies;
- Overseeing management: managing and maintaining oversight of executive management of the Company;
- Monitoring performance: monitoring and ensuring the Company's progress towards its goals, Company plans and management performance, and ensuring Shareholder expectations are met;
- Reporting to Shareholders: ensuring regular reporting to Shareholders on the performance of the business; and
- Board management: managing its own affairs.

The Board has established committees, namely the Audit Committee, Nomination and Remuneration Committee and Investment Committee to assist in carrying out its responsibilities and to consider certain issues and functions in detail.

3. Delegation of Authority to the Board Members and Executive Management

Apex Board, through a Power of Attorney has delegated to the Chairman and Managing Director certain powers as below:

Sr. No	Name of Authorized Person	Capacity of Authorization	Period of Authorization
1.	Chairman, Apex Board	<ul style="list-style-type: none"> • Represent and manage the Company, its subsidiaries and affiliates in all transactions and documents before the Government, Semi-Government and Private entities. • Represent the company at the Board of Directors and General Assemblies of the subsidiary and vote on their decision, to carry out all legal disposals as is authorised to the Board Members and General Assemblies. • Represent and sign all contracts and agreements on behalf of the Company, its subsidiaries, and affiliates inside and outside of the United Arab Emirates. 	From 29/06/2022 till 3 years
2.	Managing Director, Apex Board	<ul style="list-style-type: none"> • Appoint and terminate managers for the Company, its subsidiaries, and affiliates; and • Manage the Company, its subsidiaries, and affiliates' operations. 	From 25/04/2022 till 3 years

The Managing Director may further delegate authority to designated employees and Business Unit's management but remains accountable for all authorities delegated. Certain powers delegated by Managing Director are as below:

Sr. No	Name of Authorized Person	Capacity of Authorization	Period of Authorization
1.	Director – Government Relations Department, Apex Investment PSC	Represent and sign on behalf of the company, deliver and receive official transactions in front of all official and semi-official authorities in the country.	Valid 25/04/25 till

The Board and the Managing Director shall remain accountable for all the authorities delegated.

4. Corporate Governance Policies and Procedures

The following policies and charters are reviewed and approved by the Apex Board for issuance.

- Corporate Governance Manual outlining the corporate governance framework and structure adopted by the Group. The manual describes the key elements of governance such as (but not limited to) the duties and responsibilities of the Board of Directors, Board Committees, the Executive Management, the segregation of duties, risk management, internal control systems, rights of shareholders and other stakeholders, disclosure, and transparency among other core governance elements.
- Charters for effective functioning of the Board and the Board Committees.
- Delegation of Authority Policy & Delegation of Authority Matrix to ensure efficient and effective decision making which balances empowerment against controls.
- Conflict of interest policy providing guidance in identifying and handling potential and actual conflicts of interest involving the Group.
- Compliance Management Policy to promote a culture of good corporate governance and compliance practices, and gain assurance through its governance arrangements that the Group is in conformance with its legal and policy obligations.
- Disclosure and Transparency Policy providing guidelines to ensure that Apex Group makes timely and accurate disclosure on all material matters, including the financial situation, performance, governance, rules pertaining to disclosure of information, methods of classification of information, and the frequency of disclosure.
- Investor Relations Policy outlining the responsibilities and expected conduct with respect to the relationship of Company with its investors, current or potential holders of the securities.
- Business Continuity Management providing what is required to keep an organization running on ordinary business days as well as during emergency situations.
- Insider dealing policy defining the term “Insider Information” and providing rules on how Insider Information shall not be used by any director, officer or employee of the Apex Group for personal gain.
- Whistleblower Policy whereby employees can, in confidence, report on matters where they feel a malpractice is taking place, or if ethical/integrity standards are being compromised.
- Code of Conduct and Business Ethics to guide the conduct of Directors and Employees.
- Supplier Code of Conduct to guide the conduct of suppliers or vendors.
- Confidentiality Policy defines the principles to comply with when accessing confidential information and guidelines for maintaining confidentiality & non disclosure.

- Related Party Transactions Policy set the framework to identify a Related Party and review, approve, ratify, and disclose Related Party Transactions, in accordance with applicable law.

In addition, the Board has also approved Human Resources and related policies.

5. Subsidiary Governance

The Apex Board, its committees and the executive management oversee subsidiary governance on an enterprise level. This centralized approach provides consistency and transparency, enabling the Group to be responsive to evolving business needs, best practices and regulatory requirements and expectations.

6. The Board of Directors Transactions in Securities

6.1. Transactions report of the members of the Board of Directors, their spouses, and their children, in Company securities during the year 2023

Sr. No	Name	Position / Kinship	Owned shares as on 01/01/2023	Total Purchase during 2023	Total Sale during 2023	Owned shares as on 31/12/2023
1.	Mr. Khalifa Yousif Abdulla Husain Khouri	Chairman	-	-	-	-
2	Ms. Elham Abdulghafoor Mohammed Rafi Alqasim	Vice Chairperson	-	-	-	-
3.	Mr. Ahmed Amer Omar Saleh Omar	Board Member & Managing Director	-	-	-	-
4.	Mr. Mansoor Ibrahim Ahmed Saeed Almansoori	Board Member	-	-	-	-
5.	Mr. Issa Najib Mir Abdulla Khoory	Board Member	-	-	-	-
6.	Noura Mohamad Al Khoori	Chairman spouse	50,259,000	-	4,949,000	45,310,000
7.	Siham Al Taibi Najjar	Managing Director Spouse	45,090,000	-	8,140,000	36,950,000

7. Board of Directors

The Board currently has five members, comprising an Independent Non-Executive Chairman, 3 Independent Non-Executive Directors and an Independent Executive Director.

Board of Directors	Role	Category	Member Since
Mr. Khalifa Yousif Abdulla Husain Khouri	Chairman	Independent, Non-Executive	10 th March 2022
Ms. Elham Abdulghafoor Mohammed Rafi Alqasim	Vice Chairman	Independent, Non-Executive	10 th March 2022
Mr. Ahmed Amer Omar Saleh Omar	Board Member & Managing Director	Independent, Executive	10 th March 2022
Mr. Mansoor Ibrahim Ahmed Saeed Almansoori	Board Member	Independent, Non-Executive	10 th March 2022
Mr. Issa Najib Mir Abdulla Khoory	Board Member	Independent, Non-Executive	10 th March 2022

The table below shows the names, roles, and capacities of the members in the Company's Board and its Committees

Board of Directors	Role	Category
Mr. Khalifa Yousif Abdulla Husain Khouri	Chairman	Independent, non-executive
Ms. Elham Abdulghafoor Mohammed Rafi Alqasim	Vice Chairperson Chairperson- Audit Committee Member-Investment Committee Member- Nomination & Remuneration Committee	Independent, non-executive
Mr. Ahmed Amer Omar Saleh Omar	Board Member & Managing Director Member-Investment Committee	Independent, executive
Mr. Mansoor Ibrahim Ahmed Saeed Almansoori	Board Member Chairman- Nomination & Remuneration Committee Member- Audit Committee Member- Investment Committee	Independent, non-executive
Mr. Issa Najib Mir Abdulla Khoory	Board Member Chairman – Investment Committee Member- Audit Committee Member- Nomination & Remuneration Committee	Independent, non-executive

7.1. Profile of Board Members

Below details shows the names, roles, experience, and capacities of the current Board of Directors.

Mr. Khalifa Yousif Abdulla Husain Khouri

Chairman, Independent/ Non-Executive

Khalifa is a seasoned proud Emirati entrepreneur, an active business initiator in many sectors and accredited investor for more than 20 years with board representation in public and private joint stock companies.

Khalifa is also a nominated representative for a range of private family wealth management committees and has extensive experience in leading and managing organizations in various fields, including general investments, media, trading, services, manufacturing, real estate, building materials, oil and gas, and many others.

He has played an active leadership role in large transactions in mergers & acquisitions, bond issuance and taking companies public.

Education - Master of Business Administration from Grand Canyon University, Phoenix, Arizona.

Current Board representative positions

- Board Member in Palms Sports PrJSC
- Board Member in Sawaeed Holding PJSC

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Ms. Elham Abdulghafoor Mohammed Rafi Alqasim

Vice Chairperson, Independent/ Non-Executive

Chairperson- Audit Committee

Member- Investment Committee

Member- Nomination & Remuneration Committee

Elham Alqasim is a senior executive and investment professional based in the UAE. In her executive capacity Elham has served as CEO of Digital14, leading over 1,000 staff in delivering cybersecurity and digital solutions. Elham also served as CEO of Abu Dhabi Investment Office (ADIO) and Executive Director of the Ghadan 21 programme at the Abu Dhabi Executive Office where she led the strategic planning for the government’s three-year, AED 50 billion investment programme aimed at accelerating Abu Dhabi’s economy.

Prior to this, Elham was a Director of Mubadala Investment Company, focusing on Mubadala’s Technology and Industry portfolio. Her responsibilities included building investment/entry strategy, business development, value creation, post-acquisition asset management, and monetization. During this time, Elham also served on the executive leadership team of Emirates Global Aluminium and delivered a two-year post-merger integration program.

Elham’s international career also includes JPMorgan Investment Bank, where she was part of the Global Diversified Industrials Team based in London, handling M&A transactions in chemicals, metals and mining, and infrastructure. As a Non-executive Director, Elham has served on a number of international and national public and private boards including Global Foundries, IHC, and Khalifa Fund. In April 2010, Elham became the first Arab woman to ski to the North Pole.

Education- Elham holds an MSc from the School of Social Policy at the London School of Economics, and a Bachelor of Business from the American University in Dubai.

Current Board representative positions

- Board Member in Amanat Holding
- Board Member in Bayanat AI PLC
- Board Member in CMRC
- Board Member in Phoenix Group PLC
- Vice Chair-person in Abudhabi University

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Mr. Ahmed Amer Omar Saleh Omar

Board Member & Managing Director

Member- Investment Committee

Mr Ahmed Amer Omar Saleh Omar is the founder of Al Amry Group, one of the most well-known and prolific group of companies in Abu Dhabi, UAE. Mr. Ahmed Amer Omar Saleh has established a company that could not only meet those needs, but one that would excel beyond the highest levels of professionalism and integrity in the industry. He established Al Amry Group Since then, the company has continued to grow and evolve into one of the largest general contracting companies in Abu Dhabi UAE.

Education- Mr. Ahmed Amer Omar Saleh graduated from College of Business from US, before starting his own company he worked on numerous construction projects where he gained experience, utilizing the skills and experiences he acquired both in school and in his professional career, the mark of Mr. Ahmed Amer Omar Saleh can be seen across Abu Dhabi Projects.

Current Board representative positions

- Board Member at National Marine Dredging Company PJSC

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Mr. Mansoor Ibrahim Ahmed Saeed Almansoori

Board Member, Independent/Non-Executive

Chairman- Nomination & Remuneration Committee

Member- Audit Committee

Member- Investment Committee

H.E. Mansoor Almansoori is a prominent leader in the UAE with a diverse range of professional experience in telecommunications, energy and government. H.E. Mansoor Almansoori has been appointed as member of Abu Dhabi Executive Council and Chairman of the Department of Health, Abu Dhabi.

H.E. Mansoor Almansoori is currently the Group Chief Operating Officer of G42. Previously, H.E. Almansoori held several board positions in leading institutions including Abu Dhabi Tourism and Culture Authority and Emirates Palace Company and served as Director General of the UAE National Media Council.

A voracious reader, and public speaker on digital transformation and the management of change, Mr. Mansoor was recently selected as counsellor alongside Canadian Prime Minister Justin Trudeau and Duchess of Sussex at the 2019 Young World Summit in London where he delivered a keynote on “The New Age of Conversation.”

Education- Mr. Mansoor holds a master’s degree in Strategic Security Studies and National Resources Management from the National Défense College (UAE). A University of Toledo (Ohio, USA) graduate in Computer Science, he holds several specialized certificates including a Leadership Certificate from London Business School (UK), Innovation Strategy Leadership from Massachusetts Institute of Technology (USA) and International Institute for Management Development (Switzerland).

Current Board representative positions:

- Board Member at Emirates Telecom Group Company PJSC
- Board Member at Multiply Group PJSC
- Member at Abu Dhabi Executive Council
- Chairman of Department of Health

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Mr. Issa Najib Mir Abdulla Khoory

Board Member, Independent/Non-Executive

Chairman – Investment Committee

Member- Audit Committee

Member- Nomination & Remuneration Committee

Issa Khoory is the Managing Director of Mirak Group of Companies. This is a leading multi-faceted company established in 1985 with over 35 years’ experience in the market. Mainly specialize in Agriculture, Food Production, Distribution, and Imports & Exports.

With long-standing experience in Manufacturing, Supply Chain, Sales & Logistics, Issa Khoory has successfully implemented his leadership and has positioned Mirak Group to become one of the foremost leaders in the industry.

Issa Khoory is also the Managing Director of Al Sultana Investments. This is an investment company established in 2007 which consists of a large portfolio of the family’s real estate. mainly focused in the United Arab Emirates and the United Kingdom.

In 2015, under the auspices of the Dubai Chamber of Commerce, Issa Khoory was also appointed as a Board Member of the Fruits and Vegetables Traders' Group, which overlooks all the major activities in the Dubai market related to its industry. The Fruits & Vegetables market in Al Aweer is the region's largest.

In March 2022, Issa Khoory was also appointed as a Board Member to the ADX listed entity, Apex Investments PJSC. He is also the Chairman of the Investment Committee overlooking the overall strategy of the company's investments.

Education- He has obtained both a BBA and a master's degree from the American University in Dubai

7.2. The Board Secretary

Ahmed Kandil was appointed as Board Secretary effective 27/07/2023.

The Board Secretary has the following key responsibilities:

- Advise the Chairman and Directors on legal matters.
- Ensure the Board agenda is developed in a timely manner for review and approval by the Chairman.
- Ensure Board meetings are duly conducted and minuted as required, and that resolutions of the Board are actioned on a timely basis.
- Attend meetings of the Board and Shareholders and ensure correct procedures are followed.
- Draft and maintain minutes of Board meetings; and
- Ensure statutory reporting and filing requirements are met in accordance with relevant laws and regulations.

7.3. Key Focus Areas for the Board during 2023

During 2023, the Board of Directors focused and made decisions on various areas as below.

- Approval of financial statements.
- Approved the appointment of GCEO.
- Reviewed and approved the budget for 2023 and laid out the agenda for growth and diversification of business setting the parameters for periodical reviews of each business.
- Review of Proposed changes to the Article of Association.
- Quarterly review of performance for Apex group and analysed trends in business and profitability.
- Approval of new investments and joint ventures.
- Reviewed and approved governance framework, DOA, Bank Mandate and governance policies.

7.4. Board Remuneration

- i. The Board of Directors' remuneration is set forth in the Articles of Association of the Company, subject to the provisions of Federal Decree Law no (32) of 2021 on commercial

companies. The remuneration of the members of the Board of Directors shall consist of a percentage of the net profit.

- ii. The Company may also pay additional expenses or fees or monthly salary to an extent determined by the Board of Directors for any of its members, if the member is working in any committee, or exerts exceptional efforts or performs additional work to serve the company beyond his or her normal duties as a member of the Board of Directors of the Company. In all cases, Directors' remuneration should not exceed 10% of the net profit after deducting depreciation and reserves.

iii. **Total Remunerations Paid to the Members of Board of Directors in 2023**

- AED 3,190,550 remuneration has been paid to the Board of Directors for the year 2022.
- AED 1,448,985 has been proposed as remuneration to the Board of Directors for the year 2023, subject to approval by the shareholders at the General Assembly.

iv. **Details of the allowances for attending sessions of the Committees emanating from the Board, which were received by the Board Members for the year 2023.**

No allowances were received for attending the sessions of the Board of Directors and the Committees emanating from the Board for the year 2023.

v. **Details of additional allowances, salaries or fees received by a Board Member, during the year 2023, other than the allowances for attending the Committees.**

The Managing Director is paid remuneration for his executive role and the details are disclosed in Para 9.

7.5. Board Meetings and Attendance of Board Members

The number and dates of Board Meetings held during the year 2023 as well as the attendance frequency by all the members; in person and by proxy (the names of the BOD members showing below:

No.	Meeting Date	Attendance	Proxy	Absent	Names of Absent Members
1.	January 27 th 2023	5 (held virtually)	-	-	-
2.	February 23 rd 2023	4 (held virtually)	1	1	Mr. Mansoor Ibrahim Ahmed Saeed Almansoori
3.	April 27 th 2023	4 (held virtually)	1	1	Mr. Mansoor Ibrahim Ahmed Saeed Almansoori
6.	July 27 th 2023	4 (held virtually)	1	1	Mr. Mansoor Ibrahim Ahmed Saeed Almansoori
7.	October 23 rd 2023	3 (held virtually)	1	2	Mr. Mansoor Ibrahim Ahmed Saeed Almansoori & Ms. Elham Abdulghafoor Mohammed Rafi Alqasim

Below are details of Board Meetings attendance during the year 2023 as follows:

Board of Directors	No. of Absences	First Meeting 27/1/23	Second Meeting 23/02/23	Third Meeting 27/04/23	Fourth Meeting 27/07/23	Fifth Meeting 23/10/23
Mr. Khalifa Yousif Abdulla Husain Khouri	-	✓	✓	✓	✓	✓
Ms. Elham Abdulghafoor Mohammed Rafi Alqasim	1	✓	✓	✓	✓	-
Mr. Ahmed Amer Omar Saleh Omar	1	✓	✓	✓	✓	✓
Mr. Mansoor Ibrahim Ahmed Saeed Almansoori	4	✓	-	-	-	-
Mr. Issa Najib Mir Abdulla Khoory	-	✓	✓	✓	✓	✓

7.6. Summary of Board Resolutions Passed During 2023

i. Board Resolutions passed during Board Meeting.

Sr No	Board Meeting Date	Resolutions Passed
1.	27 th January 2023	<ul style="list-style-type: none"> Approved the audited financial statements of the Company for the financial year ended 31 December 2022. Recommended not to distribute dividends to the shareholders for the financial year ended 31 December 2022. Convene the Annual General Assembly meeting (AGM) on Monday, 20 March 2023 (or any other date as may be agreed by the Securities and Commodities Authority).
2.	23 rd February 2023	<ul style="list-style-type: none"> Approved appointment of Mr. Mark Blackwell in the position of Group CEO with effect from 1st March 2023.
3.	27 th April 2023	<ul style="list-style-type: none"> Approval of Financial Statements for the first quarter ended 31st March 2023.
4.	27 th July 2023	<ul style="list-style-type: none"> Approval of Financial Statements for the second quarter ended 30th June 2023.

5.	23 rd October 2023	<ul style="list-style-type: none"> Approval of Financial Statements for the third quarter ended 30th September'23.
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ii. Other Board Resolution

Sr No	Resolution Date	Resolutions Passed
1.	27 th January 2023	Approval of Delegation of Authority Policy dated 04.01.2023
2.	23 rd February 2023	Approval of ex gratia payment to former Group CEO.
3.	27 th April 2023	Approved revised Bank Mandate with FAB bank
4.	23 rd October 2023	Board reviewed report on governance policies from external consultant and approved the updated ESCA governance framework and policies.

8. Board of Directors' Committees

8.1. Audit Committee

Audit Committee Chairman's Acknowledgment

Audit Committee Chairperson acknowledges her responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

Members of Audit Committee as of 31/12/2023

S. No	Name	Title	Category
1	Ms. Elham Abdulghafoor Mohammed Rafi Alqasim	Chairwoman	Non-Executive/Independent
2	Mr. Mansoor Ibrahim Ahmed Saeed Almansoori	Member	Non-Executive/Independent
3	Mr. Issa Najib Mir Abdulla Khoory	Member	Non-Executive/Independent

It is the responsibility of the Committee to provide the board with independent, objective advice on the adequacy of management's arrangements with respect to the following key aspects of the management of the organisation:

The Audit Committee shall undertake the following duties:

- a. To monitor the integrity of the financial statements of the Company and its reports (annual, semi-annual and quarterly) and review them as part of its normal work during the year and after the closing of the accounts in any quarter, and to focus in particular on the following:
 - Any changes in accounting policies and practices.
 - To highlight the areas subject to the management report.
 - Significant amendments resulting from the audit.
 - Assuming continuity of business.
 - Compliance with the accounting standards determined by the Commission.

- Adhere to the rules of listing, disclosure and other legal requirements related to the preparation of financial reports.
- b. To monitor the financial reporting process, including reviewing the Company's annual and semi-annual reports and any other formal announcements relating to the Company's financial performance and considering significant financial reporting issues and judgements contained in them, and submit recommendations and proposals to the Board to ensure the integrity of the process.
- c. Submitting recommendations to the Board of Directors on the election, appointment, resignation or dismissal of the External Auditor. In case of non-approval by the Board of Directors of the recommendations of the Audit Committee in this regard, the Board shall, in the governance report of the Company, include a statement articulating recommendations of the Audit Committee and the reasons behind the disapproval thereof.
- d. The Audit Committee shall report formally to the Board on its activities which are to be included in the Company's annual report. The report should include:
 - An explanation on how the Audit Committee has assessed the effectiveness of the External Audit process, the approach taken to the appointment or reappointment of the External Auditor and information on the length of tenure of the current auditor,
 - The significant issues that the Audit Committee considered in relation to the financial statements and how these issues were addressed, having regard to matters communicated to it by the Auditor; and
 - all other information requirements set out in the applicable Governance Rules and applicable laws.
- e. Review and evaluate the Company's Internal Audit and risk management systems.
- f. Receive and review the report on the results of the Internal Auditor's work on a periodic basis and consider the findings of principal investigations in Internal Audit matters assigned thereto by the Board of Directors or carried out by an initiative of the Committee with the approval of the management.
- g. Monitor the Company's adherence to professional conduct rules.
- h. Review the Related Parties' dealings with the Company and ensure that there are no conflicts of interest and recommend them to the Board of Directors before concluding it.
- i. In regard to Internal Control and Risk Management, the Audit Committee shall:
 - Keep under review the adequacy and effectiveness of the Company's internal financial controls (that is, the systems established to identify, assess, manage and monitor financial risks), and review the Company's internal control and risk management systems;
 - Review the adequacy and security of arrangements by which staff and contractors of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, so as to ensure that arrangements are in place for the proportionate and independent investigation of such matters, and for appropriate follow-up actions;
 - review the Company's procedures for detecting fraud;
 - review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance;
 - review regular reports from the Compliance Officer and the adequacy and effectiveness of the Company's anti-money laundering systems and controls;
 - review regular reports from the Compliance Officer and keep under review the adequacy and effectiveness of the Company's compliance function; and
 - consider the major findings of internal investigations and management's response.
- j. The Audit Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- k. Consider other issues as determined by the Board of Directors.

Audit Committee Meetings during year 2023

Audit Committee Members	No. of absences	First Meeting 23/01/23	Second Meeting 27/01/23	Third Meeting 19/04/23	Fourth Meeting 26/07/23	Fifth Meeting 23/10/23	Sixth Meeting 07/12/23
Ms. Elham Abdulghafoor Mohammed Rafi Alqasim	2	✓	✓	✓	✓	-	-
Mr. Mansoor Ibrahim Ahmed Saeed Almansoori @	5	✓	-	-	-	-	-
Mr. Issa Najib Mir Abdulla Khoory	1	✓	✓	✓	-	✓	✓

@ Proxy was given to Managing Director to attend the meeting

Key Actions by Audit Committee

Sr. No.	Date	Key Action
1.	23/01/23	<ul style="list-style-type: none"> Review of 2023 Budget and RAKCC divestment options.
2.	27/01/23	<ul style="list-style-type: none"> Review and approval of audited FY 2022 financials incl EY presentation. Review of Internal Audit Plan with Protiviti for 2023.
3.	19/04/23	<ul style="list-style-type: none"> Review the business performance for Q1 2023 and rest year expectations. Review the governance framework and policies. Review Protiviti presentation to committee on audit progress and plan. Review and approval of Q1 2023 financials
4.	26/07/23	<ul style="list-style-type: none"> Review and approval of Q2 2023 and H1 2023 Financials presented by EY. Review the entity level performance.
5.	23/10/23	<ul style="list-style-type: none"> Reviewed and approved Q3 2023 financials with EY.
6.	07/12/23	<ul style="list-style-type: none"> Review of FY 2023 estimate and approval of Budget for FY 2024 Review of planned Capex for 2024. Status of receivables Review of Legal and Related party disclosures.

8.2. Nomination and Remuneration Committee

Nomination and Remuneration Committee Chairman's Acknowledgment

The Chairman of Nomination and Remuneration Committee, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

Members of Nomination and Remuneration Committee as at 31/12/2023

S. No	Name	Title	Category
1	Mr. Mansoor Ibrahim Ahmed Saeed Almansoori	Chairman	Non-Executive/Independent
2.	Mr. Issa Najib Mir Abdulla Khoory	Member	Non-Executive/Independent
3.	Ms. Elham Abdulghafoor Mohammed Rafi Alqasim	Member	Non-Executive/Independent

Nomination and Remuneration Committee Functions

The Nomination and Remuneration Committee shall carry out the duties set out below as appropriate.

- Develop a policy for applying to the membership of the Board and Top Executive Management, taking into account gender diversity within the formation and encouraging women through incentive and training programmes and benefits.
- Organise and follow up the procedures for applying for membership of the Board in accordance with the applicable laws and regulations and the provisions of the Governance Rules.
- Annually review the required needs of the suitable skills for Board membership and prepare a description of the abilities and qualifications required for Board membership, including determining the time that the member should set for the Board work.
- Identify the Company's needs of competencies at the level of Top Executive Management and staff and the basis of selecting them.
- Ensure the independence of Independent Members on an ongoing basis.
 - to promote the long-term success of the Company.
 - to ensure, where possible, that a significant proportion of the remuneration of Senior Management is structured to link remuneration to Company and individual performance.
 - to consider and promote the Company's long-term strategic goals, where appropriate; and
 - to ensure that any performance-related elements of any remuneration structure are transparent, stretching and rigorously applied.
- Ensure availability of continuity of the membership conditions in the Board members annually
- If the Committee finds that a member lacks the conditions of independence, it shall submit the matter to the Board to notify the member by a registered letter to his/her address known to the Company about the grounds of lacking independence. The member shall reply to the Board within 15 days from the notice date. The Board shall issue a decision that the member is either independent or not independent at the first meeting following the member's reply or expiration of the period referred to in this paragraph (i.e. 15 days) without reply.
- Subject to the provisions of the Companies Law, if the decision of the Board regarding lacking of reasons or justifications for the member independence affects the minimum percentage of its Independent Members, the Board shall appoint an Independent Member to replace this

member if he/she submitted his/her resignation due to lack of independency. If the member refuses to resign, the Board shall present the matter to the General Assembly for a decision to approve the appointment of another member or to open the door for candidacy for electing a new member.

- Regularly review the structure, size and composition of the Board (including skills, experience, independence, knowledge and diversity) of the Board and make recommendations to the Board with regard to any changes.
- Prepare and review the policy on granting rewards, benefits, incentives and salaries to the Board Members and the staff of the Company, on an annual basis. The Committee shall ensure that the rewards and benefits granted to Top Executive Management are reasonable and commensurate with the performance of the Company.
- Regularly review the ongoing appropriateness and relevance of the remuneration policies and approved policy to ensure that reward policies across the Company work :
- Consider and review the terms of any new equity plans for Top Executive Management.
- The Committee is authorised by the Board to investigate any activity within the scope of its duties.
- Any other matters determined by the Board.

Nomination and Remuneration Committee Meetings During the Year 2023

Member of the Committee	No. of absences	First meeting 06/04/23	Second Meeting 25/05/23	Third Meeting 18/12/23
Mr. Mansoor Ibrahim Ahmed Saeed Almansoori @	3	-	-	-
Mr. Issa Najib Mir Abdulla Khoory	-	✓	✓	✓
Ms. Elham Abdulghafoor Mohammed Rafi Alqasim	1	✓	✓	-

@proxy given to Managing Director

Key Actions of Nomination & Remuneration Committee

Sr. No.	Date	Key Actions
1.	06/04/23	<ul style="list-style-type: none"> • Approval for Employee Compensation and Benefit framework. • Approval for Apex Group Restructuring • Review of HRMS implementation
2.	25/05/23	<ul style="list-style-type: none"> • Approval for bonus distribution. • Review of Business Unit heads performance
3.	18/12/23	<ul style="list-style-type: none"> • Approval of HR policy. • Salary increases and inflationary increments FY 24.

8.3. Investment Committee

Investment Committee Chairman's Acknowledgment

The Chairman of the Investment Committee acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

Members of Investment Committee as of 31/12/2023

S. No	Name	Title	Category
1	Mr. Issa Najib Mir Abdulla Khoory	Chairman	Non-Executive/Independent
2.	Mr. Mansoor Ibrahim Ahmed Saeed Almansoori	Member	Non-Executive/Independent
3.	Ms. Elham Abdulghafoor Mohammed Rafi Alqasim	Member	Non-Executive/Independent`
4.	Mr. Ahmed Amer Omar Saleh Omar	Member	Executive/Independent

Investment Committee Functions

The Investment Committee shall carry out the duties set out below as appropriate.

- Review and recommend to the Board for its approval an overall investment / capital allocation framework and implementation model for the Company's investment activities, which shall consider relevant factors such as return on invested capital targets and benchmarks, allocation guidelines and limits, risks limits and strategic objectives.
- Review on a periodic basis, of Company performance against the criteria set forth in the framework and implementation model as defined in the charter.
- Review the Committee Charter, Investment Policy, the Investment Procedures and submit to the Board for approval and once in every (3) three years review, evaluate, and make recommendations regarding the Committee Charter, Investment Policy, the Investment Procedures and submit to the Board for approval.
- Oversee implementation and ongoing operational execution of the Investment Policy.
- Ensure compliance with the Investment Policy by verifying that investments are made according to policy, on a quarterly basis.
- Review and recommend to the Board for its approval investment opportunities, acquisitions, joint ventures or divestitures all in accordance with the Company's existing delegation of authority matrix.
- Review the balance sheet impact of specific proposed transactions including funding requirements and impact on the Company's liquidity and debt ratios as part of determining whether to recommend them to the Board for approval.
- Keep the Board informed periodically about the Committee's activities.
- Select, monitor, and replace third-party advisors and consultants for effectiveness and appropriateness of responsibilities.

- The Committee shall perform such other duties consistent with the Committee's purpose or that are assigned to it by the Board.

Committee meeting during 2023

Member of the Committee	No. of absences	First Meeting 16/01/23	Second Meeting 26/04/23	Third Meeting 06/06/23	Fourth Meeting 19/07/23*	Fifth Meeting 21/10/23*	Sixth Meeting 07/11/23*	Seventh Meeting 13/12/23*
Mr. Issa Najib Mir Abdulla Khoory	-	✓	✓	✓	N/A	N/A	N/A	N/A
Mr. Mansoor Ibrahim Ahmed Saeed Almansoori @	3	-	-	-	N/A	N/A	N/A	N/A
Ms. Elham Abdulghafoor Mohammed Rafi Alqasim	-	✓	✓	✓	N/A	N/A	N/A	N/A
Mr. Ahmed Amer Omar Saleh Omar	1	✓	-	✓	N/A	N/A	N/A	N/A

*Meeting through circulation

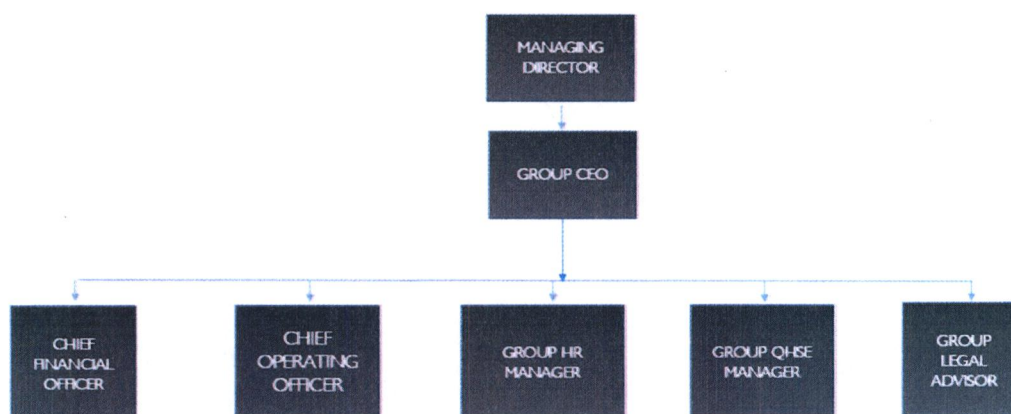
@ Proxy given to Managing Director

Key Actions of Investment Committee

Sr. No.	Date	Key Actions
1.	16-Jan-23	Review of proposed acquisitions
2.	26-Apr-23	CEO 100-day plan, Yemen Solar project, Review of Q1 23 performance
3.	19-Jul-23	ERP project discussion
4.	21-Oct-23	Review of proposed acquisitions
5.	02-Nov-23	Review the setting up JV with Keita and Daylon and entity in KSA
6.	13-Dec-23	Review of contribution to SkyGo JV to support ongoing operations

9. Executive Management

Organizational structure



The following table lists Senior Executives in the Group, their designations, appointment dates and total salaries, allowances & bonuses paid to them during the year 2023:

Position	Appointment Date	Total salaries and allowances paid during the year 2023 - in UAE Dirhams	Total bonuses paid during the year 2023 – in UAE Dirhams	Any other bonuses to be paid in the future for the year 2023– in UAE Dirhams
Managing Director	01/04/22	3,000,000	-	-
Group CEO	01/03/23	1,800,000	-	-
Group Legal Counsel	15/11/20	300,000	-	-
Group QHSE Manager	28/06/22	370,503	-	-
Group HR Manager	21/11/22	540,000	-	-
Chief Financial Officer	01/09/22	851,580	-	-
Chief Operating Officer	01/06/23	510,000	-	-

Executive Management comprises of MD, Group CEO, heads of functions reporting to the Group CEO.

10. Related Parties Transactions

The Company has entered into transactions with companies and entities that fall within the definition of a related party under the Corporate Governance Code or the International Accounting Standards 24: Related Party Disclosures. The nature of such transactions relate to the Company's normal course of business and details of such transactions are disclosed in note 17 of the Company's 2023 audited financial statements.

Summary of transactions with related parties amounting to 5% or more of the Company's capital for the year 2023

The Company did not conduct transactions with any related parties amounting to 5% or more of Company's capital for the year 2023.

11. Internal Control System

The Board is responsible for establishing and maintaining an effective system of internal control and has established a control framework within which the Group operates. The objective of the Group's internal control framework is to ensure that internal controls are established, that those policies and procedures are properly documented, maintained, and adhered to, and are incorporated by the Group within its normal management and governance processes. This system of internal control is embedded in all key operations and is designed to provide reasonable assurance that the Group's business objectives will be achieved.

The Audit Committee reviews the effectiveness of the system of internal controls in accordance with its remit.

i. The Board of Directors' Acknowledgement of its Responsibility for the Internal Control System and its review and effectiveness

The Board of Directors acknowledges its responsibility for the Company's internal control system and its review and effectiveness.

ii. Internal Control Department In-charge's Profile

In order to adapt with the changing needs of the organization and to enhance assurance over internal controls and risk management, the Company has outsourced the internal audit function during 2023 to the Protiviti business consulting firm (see below)

iii. Protiviti Profile

Protiviti (www.protiviti.com) is a global consulting firm that delivers deep expertise, objective insights, a tailored approach and unparalleled collaboration to help leaders confidently face the future. Protiviti and its independent and locally owned member firms provide clients with consulting and managed solutions in finance, technology, operations, data, analytics, governance, risk and internal audit through their network of more than 85 offices in over 25 countries.

Named on the [2020 Fortune 100 Best Companies to Work For®](#) list, Protiviti has served more than 80% of Fortune 100 and nearly 80% of Fortune 500 companies. The firm also works with smaller, growing companies, including those looking to go public and with government agencies. Protiviti is a wholly owned subsidiary of Robert Half (NYSE: RHI). Founded in 1948, Robert Half is a member of the S&P 500 index.

Protiviti has strong presence in Middle East Region with offices in Abu Dhabi, Bahrain, Dubai, Egypt, Kuwait, Oman, Qatar and Saudi Arabia. Protiviti employs over 700 people in the region, giving access to a large pool of skilled and qualified professionals. It is also the largest employer of risk advisory and internal audit professionals. With specialists and multilingual teams having global as well as regional experience, Protiviti is amongst the fastest growing business advisory firm in the region.

The outsourced Internal Audit Function governs itself by adherence to the Institute of Internal Auditors' mandatory guidance, including the definition of internal auditing, the code of ethics and the international standards for the professional practice of internal auditing (standards).

iv. Internal Audit Activities

The audits are executed using a methodology for evaluating the design and effectiveness of internal controls to ensure that risks are adequately addressed, and processes are operated efficiently. Opportunities for improving the efficiency in the governance, internal control and risk management processes identified in the internal audits are reported to responsible business unit management for action. A summary of audit results is provided to the Audit Committee, as is the status of management's implementation of agreed actions to address findings identified in the audits.

v. Reports issued during the year.

In 2023, the outsourced Internal Audit team issued three (3) reports. No significant operational internal control failures were identified. However, process level improvements were identified and accepted by management for implementation towards the continuous improvement of internal controls of the Group.

12. External Auditor

12.1. Brief about the Company's External Auditor

Ernst & Young (EY) was appointed as the company's external auditor for the fiscal year 2023. Ernst & Young has a presence and operations in more than 150 countries which are organized into three areas – the Americas, Asia-Pacific and EMEIA – and further divided into regions. It has been operating in the MENA region for more than 90 years and in the UAE since 1966. All their personnel work in one of their service lines; Assurance, Advisory, Tax, Transaction Advisory Services (TAS), or in Core Business Services (CBS) which provides internal operational support such as HR and EY Technology.

Mr. Ahmad Al Dali is the Engagement Partner for Apex.

The scope of the audit for the financial year 2023 is as follows:

1. To provide an audit opinion on the annual consolidated financial statements in accordance with International Financial Reporting Standards.
2. To provide an audit opinion on the financial statements of all subsidiaries of the company in accordance with International Financial Reporting Standards; and
3. To provide a review of quarterly interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting".

12.2. External audit fees, services & costs

Below are the details and breakdowns of the external audit costs paid during 2023:

- The External Audit Services fees of E&Y for 2023 amounted to AED 1,054,000/-. These fees are against annual audit and interim review of financial statements of Apex and its subsidiaries.
- The fees for services, which were delivered to the Apex Group in 2023 by other Audit firms, other than the Company's auditors, amounted to AED 434,600/-. These fees were against consultancy and advisory services fees. The firms, which delivered these services were as follows:
 1. Ardent Advisory Accounting
 2. MBG Corporate Services
 3. Talal Abu-Ghazaleh & Co.Consulting
 4. Rubikz Consulting FZCO
 5. Mr Hussain – Independent Consultant (ESCA)

12.3. External Auditor's Opinion on the Financial Statements

The Company's external auditor did not have any reservations about any item in the interim and annual financial statements during 2023.

13. Violations Committed by the Group during the year 2023

During 2023, Apex Group was not subject to any material fines or penalties imposed by SCA or any statutory authority on any matter related to capital markets. Additionally, there have been no cases of material non-compliance with any applicable rules and regulations.

14. Corporate Social Responsibility

- Throughout 2023, the Apex HSEQ team conducted detailed site audits and reviews across all Apex and Client locations including Corporate HQ's, logistics centre, remote sites, production facilities etc. to ensure the well-being and safety of all Apex staff and contractors including ISO 22000 to name but few.
- Apex conducted an extensive review of our blue collar worker living conditions, working close with the Service Provider to improve amenities incl. travel convenience, additional social areas and putting on special events such as Ramadan - especially for those with families in our Humanitarian aid centres.
- Apex Supply Chain team continuously look for ways support and promote localisation, with all the products procured now in excess of 50% sourced locally.

15. Sustainability Report

Apex has expanded its presence across diverse sectors, focusing on Commercial Catering, Facilities Management, Contracting, and more. In line with global sustainability efforts, Apex aligns with COP28 outcomes and actively contributes to the global sustainability agenda. The company adheres to GRI, UNSDGs, UNGC Principles, Paris Climate Agreement, UAE Vision 2021, and UAE Strategy 2050, following ADX ESG guidelines.

Stakeholder engagement is a priority, involving ongoing materiality evaluations. Notable improvements from 2022 to 2023 include a 237 MTCO₂e reduction in GHG emissions, 27% energy consumption from renewable sources, a 3% increase in recycled water, and successful paper reduction initiatives. RAKCC steadily increased the use of waste materials in the production of clinker during the course of 2023 from 5% to 15%, to support the initiative of waste recycling.

Further achievements encompass environmental stewardship, zero reported fatalities, a 0.3% Total Reported Case Frequency Rate, and official approval from ADAFSA for EFST delivery. APEX has expanded its pool of Approved Tutors, invested in Groupwide Digital Transformation, and actively adheres to GDPR regulations, with plans for a comprehensive data protection project in Q4.

Apex Investment P.S.C has invested AED 1,217,644 in ERP enhancement and new systems, reflecting the company's commitment to continuous improvement and technological advancement.

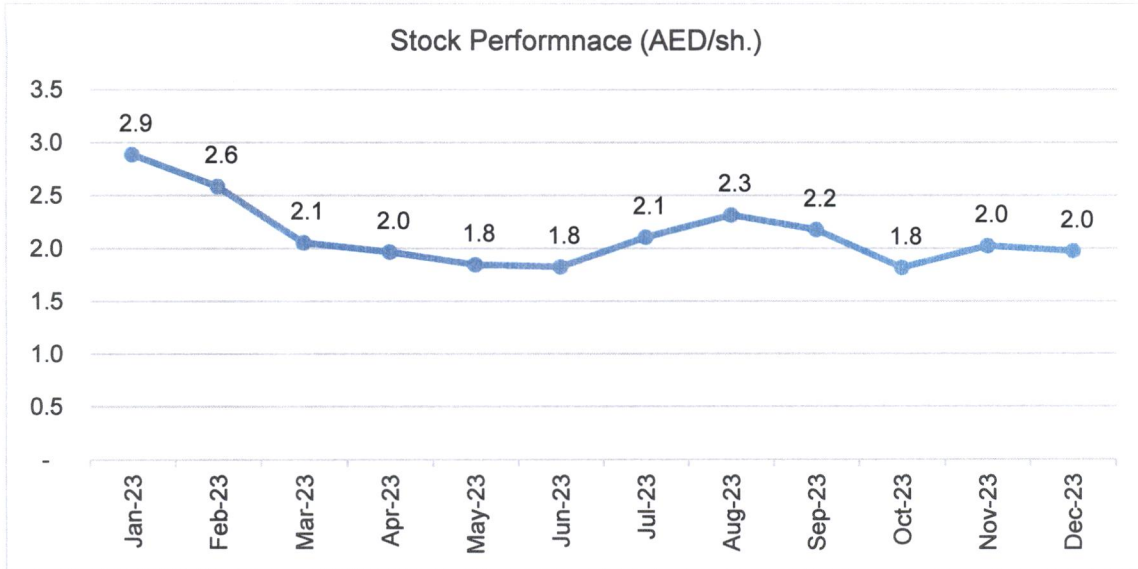
16. Shareholding and Share Price Information

16.1. Share Price

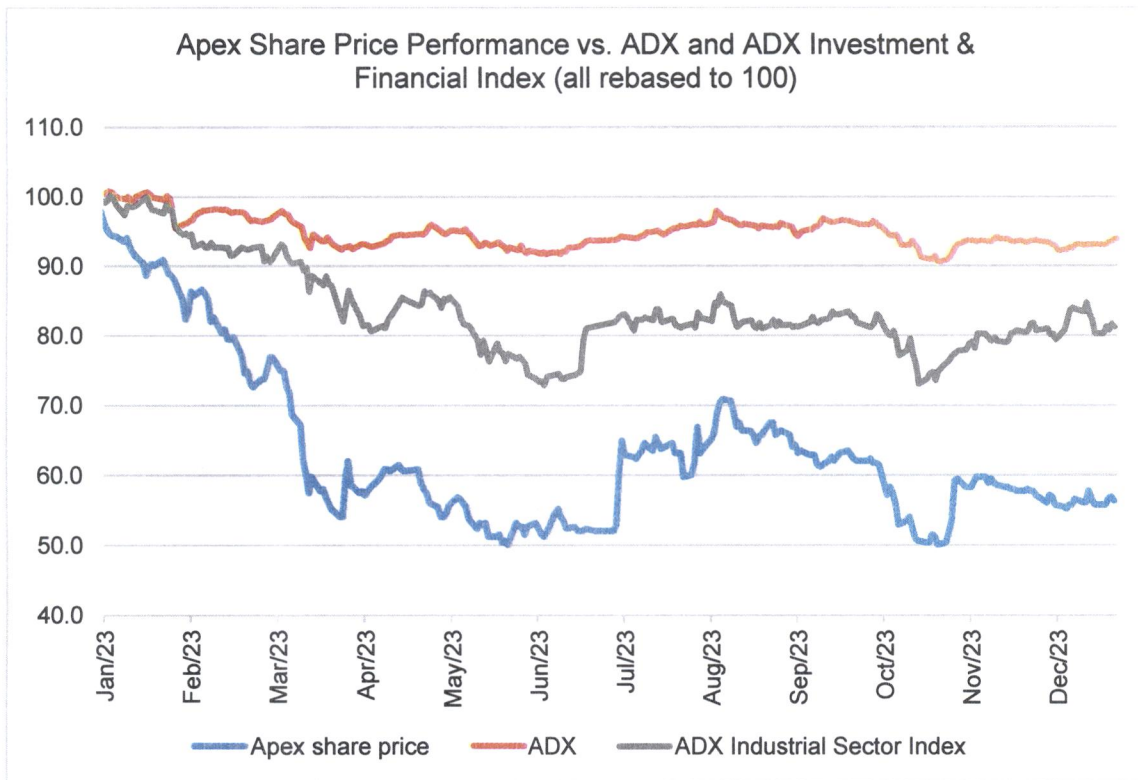
The following table presents the company's highest and lowest share price at the end of each month during 2023, and share performance against market index and sector index as of 31st December 2023:

Share Price (AED)				Share Performance				
Month	HIGH	LOW	CLOSING PRICE	Market Index	Industrial Index	Absolute	Vs Market	Vs Sector
January	3.4	2.9	2.9	9,811.6	3,814.3	-17.7%	-13.8%	-12.4%
February	3.0	2.5	2.6	9,844.8	3,654.4	-10.4%	-10.8%	-6.2%
March	2.7	1.9	2.1	9,430.3	3,433.5	-20.5%	-16.3%	-14.5%
April	2.2	2.0	2.0	9,789.2	3,470.5	-4.4%	-8.2%	-5.5%
May	2.0	1.8	1.8	9,406.6	3,083.4	-6.1%	-2.2%	5.0%
June	1.9	1.8	1.8	9,550.4	3,275.3	-1.1%	-2.6%	-7.3%
July	2.3	1.8	2.1	9,787.1	3,289.4	15.4%	12.9%	15.0%
August	2.5	2.2	2.3	9,810.2	3,302.2	10.0%	9.8%	9.6%
September	2.3	2.1	2.2	9,785.3	3,296.6	-6.1%	-5.8%	-5.9%
October	2.2	1.8	1.8	9,343.9	3,080.6	-16.6%	-12.1%	-10.0%
November	2.1	1.9	2.0	9,559.6	3,294.0	11.6%	9.3%	4.7%
December	2.0	1.9	2.0	9,577.9	3,271.4	-2.5%	-2.7%	-1.8%
Overall Performance During 2023	3.4	1.8	2.0	9,577.9	3,271.4	-43.7%	-37.5%	-24.90%

16.2. Company's share price performance during the year 2023



16.3. Performance of the Company's shares compared with the ADX index and ADX Investment and Financial Sector index during 2023.





Share Price Performance (all rebased to 100)	31-01-2023	28-02-2023	31-03-2023	28-04-2023	31-05-2023	26-06-2023	31-07-2023	31-08-2023	28-09-2023	31-10-2023	30-11-2023	29-12-2023
Apex Group	82.3	73.7	58.6	56.0	52.6	52.0	60.0	66.0	62.0	51.7	57.7	56.3
ADX	96.1	96.4	92.4	95.9	92.1	93.5	95.8	96.1	95.8	91.5	93.6	93.8
ADX Industrial Sector Index	94.7	90.7	85.2	86.1	76.5	81.3	81.7	82.0	81.8	76.5	81.8	81.2

16.4. Distribution of Shareholders' Ownership

Description	Governments	Individuals	Companies	Total
Local	-	248,660,254	3,180,168,290	3,428,828,544
GCC	-	7,161,615	9,497,605	16,659,220
Arabs	-	11,926,384	483,315	11,801,950
Foreigners	-	9,006,113	86,291,891	95,905,753
Total	-	276,754,366	3,276,441,101	3,553,195,467
Percentage (%)		7.79%	92.21%	100%

16.5. Statement of Shareholder Ownership reaching 5% or More

	Shareholders Share %
Catering Management Companies LLC	51.50%
Newtech Investment for General Trade LLC	34.34%

17. Investor Relations Affairs

The Board is committed to communicating its strategy and activities clearly to its investors and maintains an active dialogue with investors through various Investor Relations activities. Apex regularly announces its results to SCA, ADX and shareholders by way of interim management statements, quarterly results, and the annual report and annual financial statements. Significant matters relating to Group are disclosed to SCA, ADX and general public by way of market disclosures and announcements in accordance with the related provisions of applicable laws and regulations, in addition to press releases and postings. Contact with investors is largely managed by the Investor Relations team.

The investor relation function was managed by Mr Shihab Al Khandaqji until 30th June 2023. Currently the Group HR manager and her team supports the investor relations activities.

Contact details for Investor Relations Officer.

Maryam Husain Ali Janahi

Apex Investment PSC
501, Al Wahda Commercial Tower
Al Wahda Mall
P O Box 30688
Abu Dhabi, UAE

Email ID- <mjanahi@apexholding.ae>
Contact No- 056 6771582

18. Special Resolutions presented to General Assembly meetings held during 2023

18.1. Apex General Assembly Special Resolutions

Sr No	Meeting Date	Items / Special Resolutions	Measures Taken
1	12 th April 2023	<p>Apex Investment PSC</p> <ul style="list-style-type: none"> Amendment to the Articles of Association Authorizing the Company's Board to take any action that may be necessary to implement any of the aforementioned resolutions. 	Approved

18.2. Subsidiary Companies' General Assembly/Partners' Meeting Special Resolutions

No special resolution was passed by subsidiaries in General Assembly meeting during the year 2023.

19. Emiratization Percentage in the Group as of 2023 (excluding unskilled labour)

2023:

Number of Employees	Emirati Citizens	Non-Emiratis (Skilled)	Total
Total	40	967	1,007
Ratio	4%	96%	100%

2022:

Number of Employees	Emiratis Citizens	Non-Emiratis (Skilled)	Total
Total	10	567	577
Ratio	2%	98%	100%

20. Significant Events During 2023

No significant events for 2023.

21. Initiatives and Innovations during 2023

a) Launch of bundled services offering across catering, hard and soft FM & laundry to facilitate value add for customers and a seamless experience of a "one stop shop".

b) Process Improvements

QHSE department undertook the following initiatives.

- Developed RRFM IMS and shared with RRFM management for Implementation.
- Obtained Abu Dhabi Agriculture and Food Safety Authority approval for Essential Food Safety Training Equivalency.
- Increased the number of approved trainers by Highfield UK qualifications from 1 to 7 trainers.
- Obtained ADNOC approval for ISO 22000:2018 manual of Apex Catering for all ADNOC onshore locations.
- Finalized and got the Pest Control Approval and TADWEER license for Apex Catering and replaced the subcontractors in all locations.
- Obtained BICSc membership certificate (Membership number - 16015166).
- Obtained for Apex Catering all locations ADNOC Onshore & CWRC & NPCC Certified for ISO 22000 & HACCP from TUV.

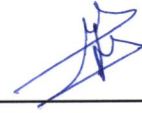
c) Technology related initiatives:

- Implementation of software CalcMenu for kitchen production system.
- Implementation of software Olive as HRMS solution for payroll and people management.

The Report was approved by the Board of Directors on 27/02/2024



Mr. Khalifa Yousif Abdulla Húsein Khouri
Chairman – Board of Directors

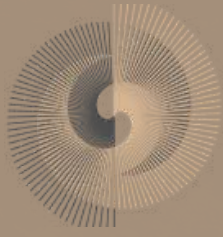


Mr. Ahmed Amer Omar Saleh Omar
Managing Director



04

ESG report



APEX
INVESTMENT PSC
إبيكس للاستثمار ش.م.ع

SUSTAINABILITY REPORT

20

23

After all, sustainability means running the global environment - Earth Inc. - like a corporation: with depreciation, amortization and maintenance accounts. In other words, keeping the asset whole, rather than undermining your natural capital.

- Maurice Strong

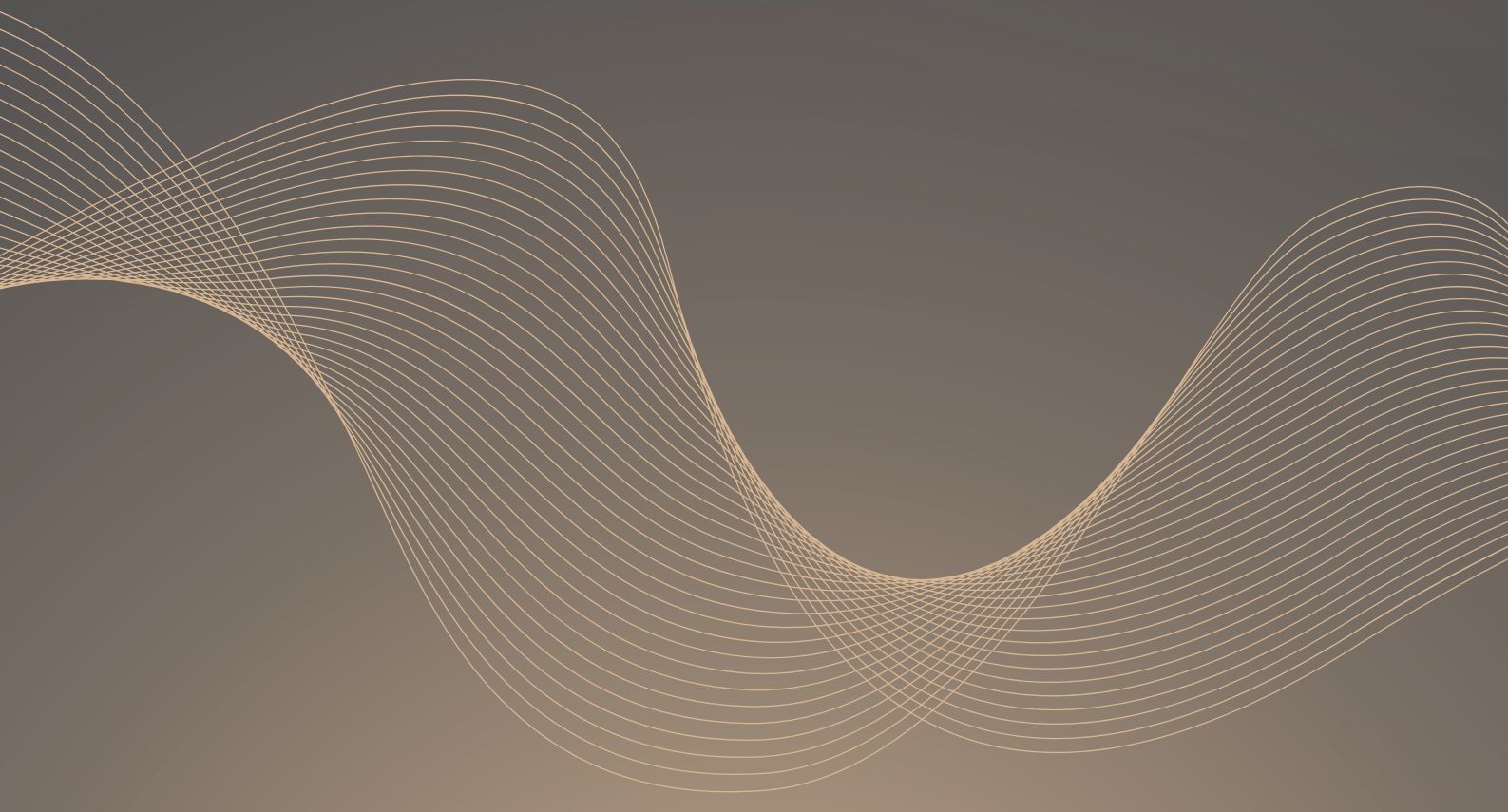


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INTRODUCTION

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ABOUT THIS REPORT

Welcome to our second year of sustainability reporting for 2023, where we proudly showcase our accomplishments in the realms of environmental, social, and governance (ESG) performance. At our core, we are committed to embracing a robust perspective that highlights our dedication to sustainable business strategies.

As a diversified investment holding company, APEX Investment P.S.C engages in various sectors, including but not limited to commercial, industrial & agricultural enterprise investment, institution & management, company representation, commercial catering, real estate development construction & facilities management, cement manufacturing & tent production. Our commitment lies in delivering sustainable value over the long term, embodying the role of active investors and engaged owners.

Guided by a set of investment ethics anchored in transforming economies, deepening comparative advantages, and identifying emerging champions, we approach our investments with a keen focus on key structural trends. These themes not only shape our long-term portfolio construction but also serve as guiding principles for our investment activities.

In the industrial vertical, we specialize in the manufacturing and distribution of construction raw materials, leveraging cutting-edge chemical technology to produce materials such as cement. Our emphasis on strength, durability, and sustainability highlights our commitment to responsible business practices.

This sustainability report has been curated for our stakeholders and readers, offering insight into our approach to sustainable development and various parameters related to ESG. As we navigate the ever-evolving landscape, we remain dedicated to our mission of contributing to a sustainable future.

APEX Investment P.S.C extends its presence across sectors, including Commercial Catering, Facilities Management, Contracting, Auxiliary business, and Investments. Anchored by a core strategy aimed at enhancing shareholder value and promoting growth, APEX actively pursues operational synergies and maximizes cost efficiencies across all verticals.



In the context of global sustainability efforts, we recognize the significance of events like COP28, which was hosted in the UAE.

Our dedication to sustainability aligns with the principles and actions promoted in such global gatherings, highlighting our commitment to leading positive change. Drawing inspiration from the outcomes of COP28, we actively contribute to the global sustainability agenda by integrating impactful measures into our business practices and investments.



Continuing to assess investment opportunities both locally and internationally, APEX embraces direct ownership and strategic partnerships. In a world marked by change and emerging opportunities, APEX focuses on resilience, innovation, and redefining the marketplace for itself, its clients, and its partners.

Scope and Criteria of Reporting- Prepared in accordance with ESG and sustainability criteria, aligning seamlessly with the standards set forth by SCA, ADX, and ESG guidelines.

Conformity- The report aligns with GRI, United Nations Sustainable Development Goals (UNSDGs), United Nations Global Compact (UNGC) Principles, the Paris Climate Agreement, UAE Vision 2021, and UAE Strategy 2050, ensuring a harmonious alignment with global sustainability benchmarks and adherence to ADX ESG guidelines.



Data Comparability- The report's disclosures provide a comprehensive overview of our performance throughout the years 2022, and 2023, emphasizing our accomplishments and advancements.

Assurance- We opted to follow an internal assurance process to provide confidence in the accuracy of the information we share with our stakeholders.



A STATEMENT FROM OUR CHAIRMAN

As Chairman of Apex, I take pride in reflecting on our journey over the past year, marked by a commitment to our vision that aligns with the aspirations of our nation and global frameworks.

Recognizing that our success is intricately linked with the broader vision of the UAE, we are dedicated to contributing meaningfully to its realization. Our strategies are shaped not only by local priorities but also by global imperatives, as seen in our active participation and support for initiatives such as COP28.

We acknowledge the urgent need to address environmental challenges and remain committed to playing our part in advancing sustainable practices within and beyond our industry. Looking ahead, we are committed to supporting the highest standards of excellence, innovation, and sustainability, aligning our efforts with national and global agendas for a brighter tomorrow.

In response to the escalating challenges posed by climate change, we are confronted with new survival hurdles, including more frequent and intense droughts, floods, and heatwaves. The significance of COP28 which was hosted by the UAE in 2023 was evident as it delivered the first-ever global stocktake, a comprehensive assessment of progress towards climate goals. Embracing our commitment to sustainable development, we persist in supporting the UAE's agenda and actively implementing the United Nations Sustainable Development Goals (UNSDGs) within our organization.

I am deeply honored to lead our organization in our pursuit of sustainability. Our commitment to environmental stewardship and social responsibility is ingrained in our corporate DNA, guiding every decision we make. We recognize that sustainability is not just a goal, but a fundamental principle that must permeate every aspect of our operations. With a steadfast dedication to innovation and collaboration, we strive to create lasting positive change that reverberates throughout society. Together, let us continue to push the boundaries of what is possible, shaping a future where sustainability is not just a choice, but a way of life.

I extend my heartfelt gratitude to our esteemed stakeholders for their immense trust and confidence, along with their unwavering support throughout these years. My team and I eagerly anticipate implementing planned advancements towards economic and sustainability agendas, engaging closely with our stakeholders to drive positive change.



KHALIFA YOUSOF ABDULLAH KHOURY
CHAIRMAN

"Sustainability isn't just a responsibility; it's a legacy we owe to future generations. As Chairman, I am proud to lead an organization that is committed to making a meaningful difference in the world. Together, let us seize the opportunity to create a more sustainable future for all."

A STATEMENT FROM OUR MD

Welcome to our sustainability report for the year 2023. As we navigate the dynamic landscape, our focus has shifted to further defining the group's environmental, social, and governance (ESG) aims with a vivid set of targets to map our path toward a green and sustainable economy.

We are committed to working towards a balanced and inclusive green economy. Our passion lies in making measurable impacts and providing immense value in everything we do.

Our innovative perspective aids us in delivering enduring and transformative results through sustainable environmental, social, and governance (ESG) investing. We work to deliver sustainable value over the long term as active investors and engaged owners.

In the current landscape, marked by increased emphasis on ESG and sustainability, our aim remains dedicated to delivering our services sustainably. Our focus centers on leveraging technology and data management, enhancing and enabling group-wide efforts in sustainable development.

I am deeply inspired by our collective commitment to sustainability. Our journey reflects a profound responsibility to harmonize business success with environmental stewardship. With each milestone achieved, we reinforce our dedication to shaping a future where prosperity is synonymous with sustainability. Together, we are architects of change, building a foundation of progress that transcends borders and generations. It is through our shared vision and tireless efforts that we pave the way for a brighter, more sustainable tomorrow.

This year, we're proud to report significant progress in energy usage, with a notable percentage of 27% of renewable energy utilized, furthering our commitment to reducing greenhouse gas emissions. We are happy to introduce a new initiative focusing on plastic waste recycling, aligning with our commitment to environmental stewardship and circular economy principles.

I extend my heartfelt gratitude to our esteemed stakeholder groups for their support and collaboration as we embark on this journey together towards a more sustainable future. Your commitment strengthens our determination and ignites our progress in our mission to make a meaningful difference in the world.



AHMAD AL AMRY
GROUP MD

Our journey towards sustainability transcends mere obligation; it embodies our profound duty to safeguard our planet and secure a thriving future for generations to come. Guided by a clear vision and driven by resolute determination, we carve a path towards a greener, more sustainable economy. Together, united in purpose, we endeavor to enact meaningful change, leaving behind a legacy of environmental guardianship and societal advancement."

A STATEMENT FROM OUR CEO

I am delighted to present our second sustainability report, outlining our efforts and accomplishments in environmental, social, and governance areas for 2023.

Our commitment goes beyond mere compliance as we actively strive to advance our sustainability initiatives in sync with the UAE's ambitious goal of achieving net-zero emissions by 2050. This strategic initiative positions the Emirates as the first Middle East and North Africa (MENA) nation to make a significant environmental commitment. We are dedicated to contributing to the UAE's 2030 sustainable development agenda and incorporating the UN sustainability goals within our organizational framework.

In the face of escalating challenges posed by climate change, such as intensified droughts, storms, rising sea levels, and warming oceans, our approach is proactive. COP28 which was hosted in the UAE, which took place in 2023, marked a crucial milestone. This global event conducted the first-ever comprehensive evaluation of progress against climate goals, reinforcing the UAE's leadership in promoting a pragmatic global energy transition and adopting an inclusive approach to climate action, ensuring that no one is left behind.

Our commitment to safety is the foundation of our sustainability strategy. We remain determined to deliver on these strategies and firm in our pursuit of carbon neutrality. Integrating health and safety at the forefront of our operations, particularly in our industrial vertical dealing with the manufacturing and distributing of construction raw materials, reflects our dedication to strength, durability, and sustainability.

In crafting a forward-looking and resilient portfolio, we aim to drive sustainable and equitable economic growth while facilitating the transition to a low-carbon economy. Recognizing our responsibility to the markets where we operate, we firmly believe that a sustainable business model, combining economic viability, environmental protection, and social equity, is the key to preserving our operational contexts.

Aligned with our global vision, we actively follow and implement the United Nations Sustainable Development Goals, envisioning societal changes and providing products and services that align with the needs of both the private and public sectors.

Expressing gratitude to our esteemed stakeholders for their enduring trust, confidence, and steadfast support throughout the year, I, along with my team, eagerly anticipate implementing our planned advancements, economic and sustainability agendas with the invaluable engagement of our stakeholders.



MARK BLACKWELL
CEO

“Our dedication to innovation through technology and digitalization remains consistent. Over the combined years of 2022 and 2023, we have invested a total of 2,268,486 AED towards technology and digitalization initiatives, highlighting our dedication to staying at the forefront of sustainable business practices.”

KEY ACHIEVEMENTS

Environmental



In 2023, we initiated a sustainable effort, successfully recycling **100 metric tons** of plastic waste



Our organization has launched energy reduction initiatives, employing informative posters to create awareness and **promote energy-efficient practices**

Social



In 2023, prioritizing health & safety remains a cornerstone of our labor-intensive operations, proudly maintaining a **zero-fatality** record



The total expenditure on employee wages and benefits for the year 2023 amounted to AED **186,078,921**

Governance



We prioritize the **inclusion of women** in the workplace, extending to governance levels and participation in board committees



Our HSE commitment led us to achieve various certifications, including **ISO 9001:2015, ISO 22000:2018, HACCP, ISO 45001:2018, and ISO 14001:2015**, demonstrating our unwavering focus on ensuring a secure operational environment.

APEX AT A GLANCE



MISSION

To create sustainable growth and value for our investors, partners, and communities by identifying, acquiring, and managing high-potential businesses in diverse industries, while maintaining a commitment to operational excellence, innovation, and responsible business practices.

Catering & Support Services

Beyond being a Catering Company, APEX stands as a prominent leader in the United Arab Emirates, specializing in servicing the oil and gas industries, along with the broader industrial and manpower sectors. Our commitment is reflected in delivering value-driven solutions to clients, encompassing Catering, Camp management, support, and facilities services across more than 40 locations. Through close collaboration with client teams, we cultivate secure, well-maintained, hygienic, and thriving communities both onshore and offshore. Our dedicated efforts contribute to the well-being of multicultural workforces numbering in the thousands.

- Offshore and Remote Communities
- Government and Defense Support
- Humanitarian & Healthcare Catering Services
- Industrial Workforce Well-being



VISION

Our vision is to be a leading global investment and management company recognized for our ability to identify and grow successful businesses across diverse industries.



Facility Management

We specialize in delivering high-performance, sustainable integrated facilities and workplace management solutions. Our core facilities management services are designed to cultivate positive and productive working environments, offering tailored spaces and solutions that enrich the work experience.

- Cleaning Services
- Annual Maintenance
- Real Estate Development Construction
- Management and Operation of Public Utilities
- Onshore & Offshore Oil & Gas Fields & Facilities Services

Logistics

We are diversifying into the realm of drone technology to explore the potential of unmanned aerial vehicles for transporting goods via air. Our commitment to prioritizing safety remains a fundamental aspect of all our operations.

Contracting and Auxiliary Services

We oversee a growing portfolio of subsidiaries that specialize in various construction and engineering functions. Our subsidiaries provide comprehensive turnkey solutions in the contracting and auxiliary sector, catering to clients spanning diverse industries.

- Engineering and Construction.
- Modular and Semi-permanent Construction Tents, Shelters and Covers.
- Interior Contracting.



Laundry Services

APEX Laundry Services stands as a leading source for extensive laundry and dry-cleaning solutions, ensuring unparalleled cleanliness, efficiency, and dependability across various sectors. Our commitment involves collaborating closely with customers to elevate their products and services, offering tailored and innovative laundry solutions to meet specific requirements with pride.

- Commercial Laundry Outsourcing
- Dry Cleaning & Uniform Management
- Wash, Press & Fold Services
- Specialist Cleaning Solutions
- Self-Service Laundromat Consultancy

Structures

APEX Structures specializes in conceiving, creating, and installing fully customized semi-permanent structures with seamless integration. Crafted to endure for up to 15 years, these structures, whether permanently affixed or designed for mobility, undergo certification and customization to meet client specifications. Our efficient deployment ensures that these structures can be operational within weeks or months.

- Hospitals and Clinics
- Emergency & Humanitarian Response
- Labor Camps
- Containerized Solutions
- Events

Cement

RAKCC

Founded in 1995 as an essential element in the continual economic and social development endeavors of the UAE, Ras Al Khaimah Cement Company employs top-tier raw materials in its state-of-the-art plant, boasting an annual production capacity of 1.2 million tons of cement. The plant is intricately linked to a terminal at the nearby Saqr Port, optimizing the company's cement export operations. The commitment to ensuring total customer satisfaction is deeply embedded in both management and staff, with a primary focus on promoting collaborative, sustainable, and mutually profitable partnerships with all cement users.



APEX Restaurant Management:

- Istinye Rotisserie Restaurant is the flagship establishment under APEX Restaurant Management, offering a distinctive culinary experience rooted in the rich traditions of rotisserie cooking.
- Economic activities include overseeing the operations of Istinye Rotisserie Restaurant, focusing on delivering exceptional dining experiences, managing staff, maintaining quality standards, and ensuring customer satisfaction.

APEX Commercial:

- APEX Commercial specializes in commercial enterprise investment and management, facilitating strategic investments in various sectors to generate returns for stakeholders.
- Economic activities encompass identifying lucrative investment opportunities, conducting market research, financial analysis, and risk assessment.

APEX Academy:

- APEX Academy focuses on providing consulting services in food safety and professional safety and health consultancy, catering to the needs of businesses operating in the food industry.
- Economic activities include offering training programs, workshops, and certifications to food industry professionals, equipping them with the knowledge and skills required to ensure compliance with safety regulations and best practices.

APEX Construction:

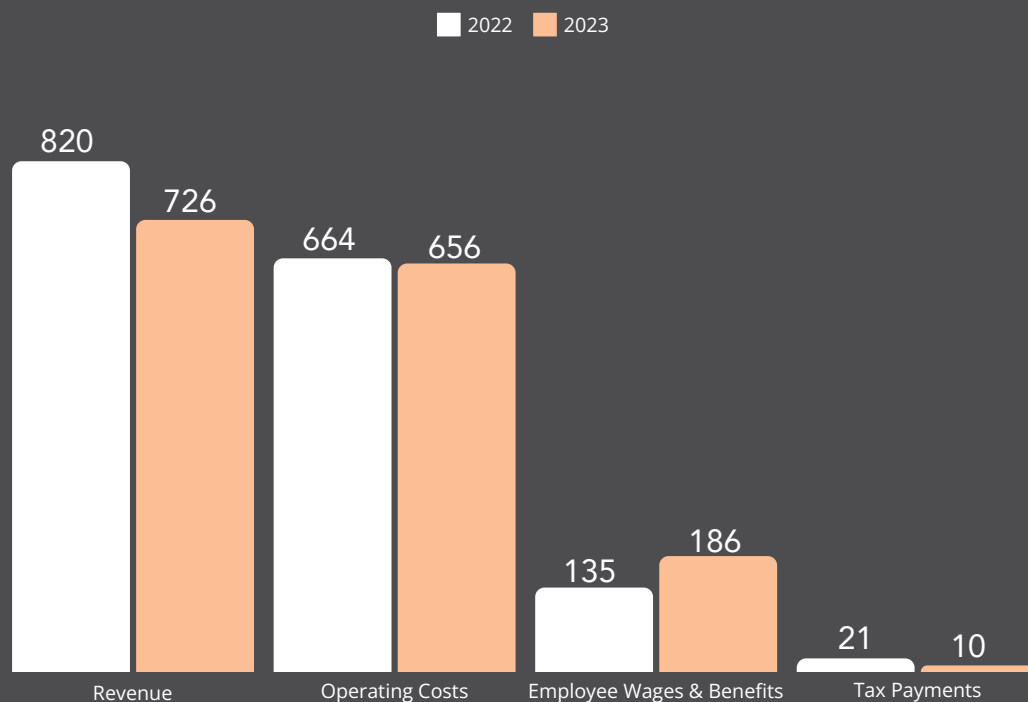
- APEX Construction engages in a range of economic activities related to commercial enterprise investment, institution and management, company representation, and real estate enterprise investment, development, institution, and management.
- Economic activities include identifying viable real estate investment opportunities, acquiring and developing properties, and managing commercial real estate portfolios.



Organization Structure



Financial Performance in Mn AED



ENVIRONMENTAL STEWARDSHIP

- GHG Analysis
- Energy Management
- Water Management
- Waste Management



GHG ANALYSIS

In this section of our Sustainability Report, we delve into the pivotal role we play in safeguarding the environment and cultivating a resilient, ecologically balanced future. Our dedication to sustainability is exemplified through our proactive efforts to mitigate our environmental impact, promote responsible resource management, and embrace innovative solutions. Following the significant outcomes of COP28, a critical global summit that was hosted by the UAE in 2023, where nations united to address pressing environmental challenges, we are inspired to amplify our contributions to a more sustainable world. As we align our strategies with international goals, this chapter serves as a testament to our ongoing commitment to environmental stewardship, reflecting our dedication to a harmonious coexistence between business growth and ecological well-being.



Emission Intensity

GHG Emission Intensity with respect to revenues in MTCO₂e/ MnAED/year

444



Decarbonization - GHG Emission Reduction in MTCO₂e in 2023

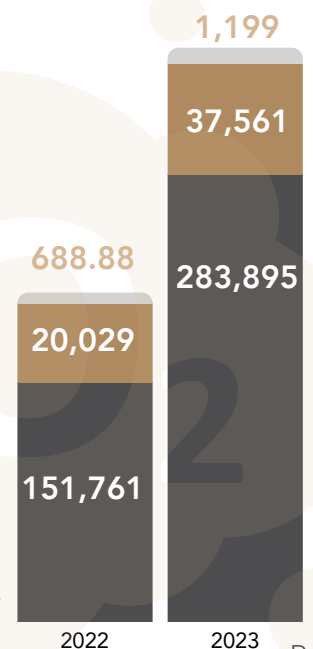
237

Greenhouse Gas (GHG) analysis is a pivotal component of our environmental strategy at Apex Investments. It involves measuring and assessing emissions like carbon dioxide, methane, and nitrous oxide from our operations. This analysis provides valuable insights, guiding our efforts to reduce emissions and adopt sustainable practices. Our commitment to transparency, accountability, and continual improvement is highlighted by our dedication to GHG analysis as we strive for a more sustainable and low-carbon future.

COP28, hosted by the UAE, set ambitious goals for the cement industry to reduce greenhouse gas emissions through strategies such as decarbonization, demand creation, monitoring, collaboration, and support. This aligns with global efforts to achieve net-zero emissions by 2050. Cement production, contributing over 7% of annual greenhouse gas emissions, requires accelerated adoption of low-carbon technologies. Real estate, contributing around 40% of global emissions, is a critical focus area. The catering sector, responsible for 18% of global carbon emissions, can reduce its impact by addressing gas, electricity, and oil usage. Apex is committed to aligning with both global and the UAE's sustainability efforts, aiming to reduce carbon footprints and contribute to achieving net-zero emissions.

Total Net GHG Emission in 2023 is **322,420 MTCO₂e/year**

GHG Emissions in MTCO₂e



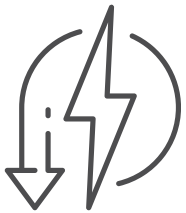
*The increase in our GHG Emissions is attributed to the mobilization of new projects and the onboarding of additional resources.

2022 2023

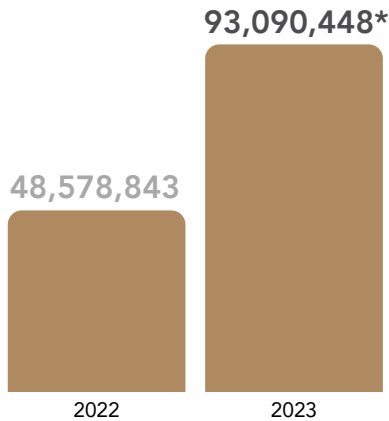
ENERGY MANAGEMENT

Energy Management is vital to our sustainable practices at Apex Investments, focusing on efficient resource utilization and cost-effectiveness. By proactively minimizing energy consumption, we contribute to a more sustainable and resilient future, embodying our commitment to responsible resource use and environmental stewardship.

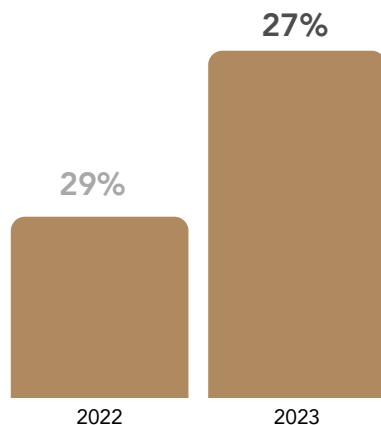
We have initiated energy reduction programs by utilizing informative posters to raise awareness and encourage energy-saving behaviors within our organization.



Electricity Consumptions in kWh



Renewable Energy used out of Total Energy Consumed



*The increase in our electricity and fuel consumption is attributed to the mobilization of new projects and the onboarding of additional resources.

Energy Intensity-



Total Electricity Consumption/ revenue earned in 2023

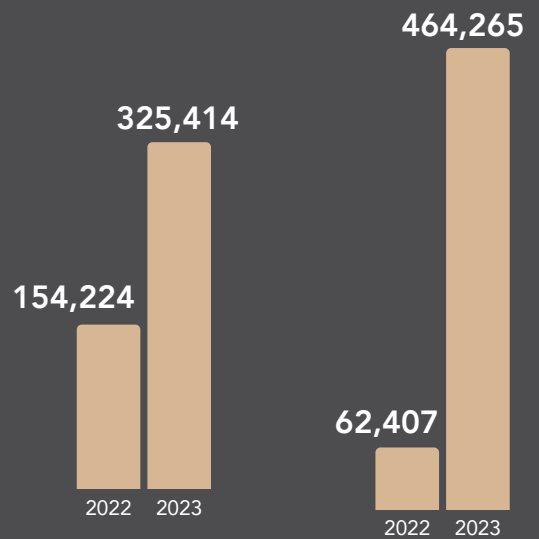
0.128 kWh/AED

A significant 27% of our energy consumption is powered by renewable sources, driving our commitment to sustainability forward.

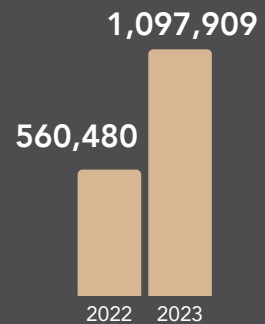
Fuel Consumption in Litres

PETROL

DIESEL



NATURAL GAS (RAKCC)



Total fuel consumption/ revenue earned within the organization for the year 2023-

PETROL

0.448 MilliLitres/AED

DIESEL

0.639 MilliLitres/AED

NATURAL GAS

1.512 MilliLitres/AED

WATER MANAGEMENT

Water Management is integral to our sustainability efforts at Apex Investments, focusing on responsible stewardship of water resources. Through efficient practices, we aim to minimize water usage, reduce environmental impact, and contribute to the well-being of local ecosystems. Our commitment highlights our efforts in water conservation, ensuring a sustainable balance between business operations and environmental responsibility.

Water Intensity-

Total Water Consumption/ revenue earned in 2023

0.221 Litres/AED

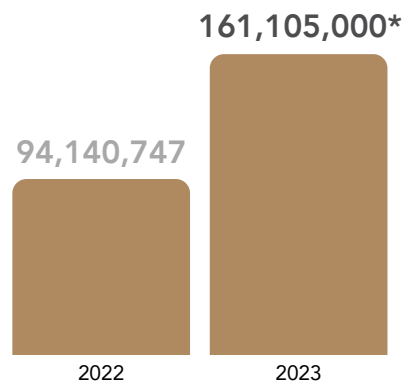


Our recycled water increased from 2022 to 2023 by

3%



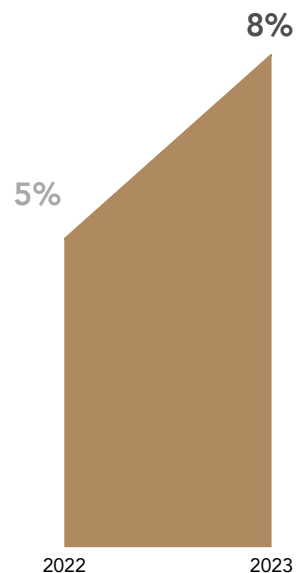
Total volume of water consumed in Litres



*The increase in our water consumption is attributed to the mobilization of new projects and the onboarding of additional resources.



Total Volume of water recycled from water consumed

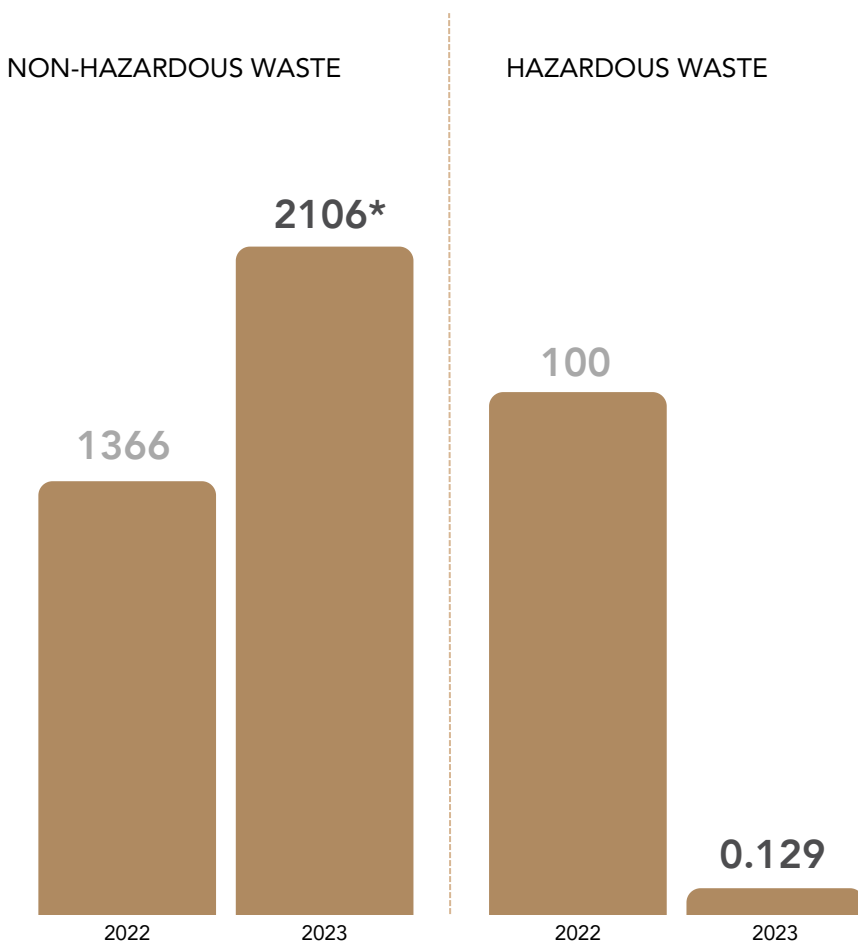


WASTE MANAGEMENT

Waste Management is a core element of our sustainability strategy at Apex Investments. This initiative revolves around responsible handling, reduction, and disposal of waste generated in our operations. By implementing efficient waste management practices, we strive to minimize our environmental footprint, promote recycling, and contribute to a circular economy.

We have implemented paper reduction initiatives, including practices such as printing on both sides and a policy to print only when it is essential.

Total Weight of Waste Generated (in MT)



*The increase in our waste consumption is attributed to the mobilization of new projects and the onboarding of additional resources.

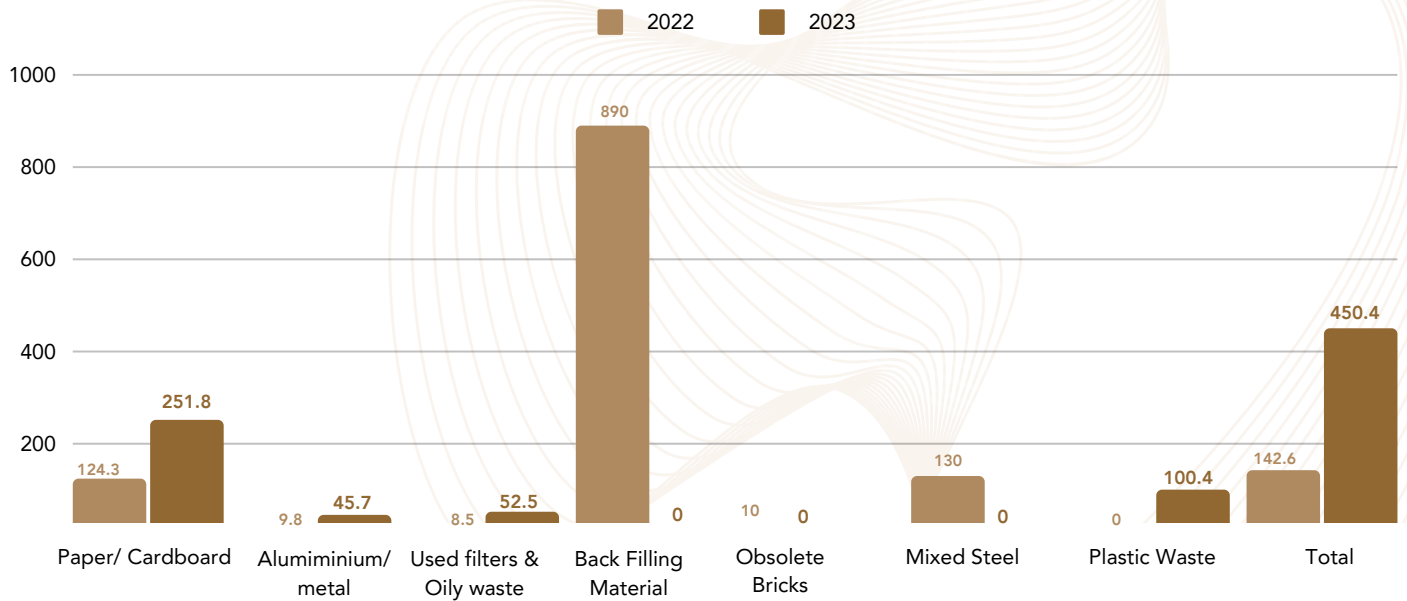


Apex has achieved a notable

215%

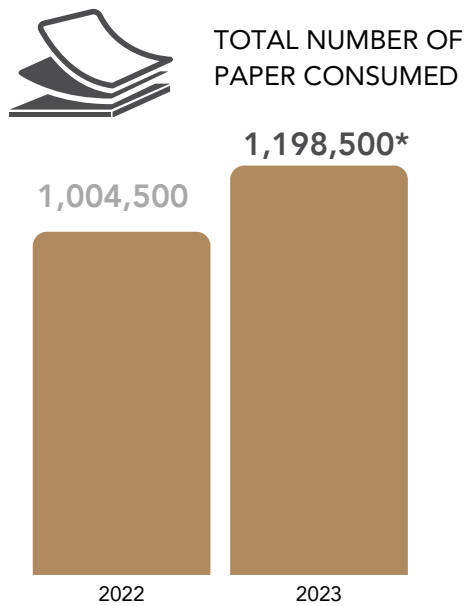
year-over-year increase in waste recycled since 2022, showcasing our strong commitment to sustainability and effective recycling initiatives.

Total Weight of Waste Generated (in MT)



*The increase in our waste generation is attributed to the mobilization of new projects and the onboarding of additional resources.

Paper Consumption-



*The increase in our paper consumption is attributed to the mobilization of new projects and the onboarding of additional resources.

With the implementation of our ERP and Digital Transformation projects scheduled for Q3-Q4 2024, a key performance indicator (KPI) will focus on waste reduction, spanning from toner to paper consumption. While beneficial practices like defaulting printers to double-sided printing contribute to savings, the primary focus will be on substantial economies achieved through document digitization and the automation of approvals for financial, personnel, and business documents. These initiatives will be integral to our business scorecards and KPI framework, ensuring a more sustainable and efficient operational landscape.



Introducing a pivotal initiative in 2023, we have undertaken plastic waste recycling, processing over

100 MT

as a fundamental step in our dedication to environmental stewardship and the promotion of a circular economy.

Our organization has been actively involved in environmental stewardship through our participation in camp cleaning and desert cleaning campaigns. Furthermore, we have undertaken rigorous efforts to cultivate environmental consciousness among our employees, employing various methods including the strategic placement of waste segregation posters throughout our office facilities.



In promoting environmental consciousness among our workforce, we have implemented a robust awareness campaign within our office premises. Through the strategic placement of numerous informative posters, we aim to educate and inspire our employees to embrace sustainable practices and contribute to a healthier planet.



APEX NATIONAL CATERING
الخدمات الوطنية للتأطير

Safety Alert !

Save Gas

- Keep the pan closed whenever possible.
- Apply adjustment for flame diameter & pan size.
- Keep rings clean, as burnt foodstuff absorbs more heat.
- The flame must be colorless or blue. Yellow flame means incomplete burning, low heat, more cooking time, more gas.

QHSE Department

APEX NATIONAL CATERING
الخدمات الوطنية للتأطير

Safety Alert !

Reduce Food Wastage

SMART TIPS to reduce FOOD WASTE

- **PLAN & PREPARATION:** be careful of the quantity of food to be cooked.
- **KEEP TRACK:** post a list of perishables of the fridge.
- **ORDER SMART:** always check what is available before going to order.

STOP FOOD WASTAGE

QHSE Department

APEX NATIONAL CATERING
الخدمات الوطنية للتأطير

Safety Alert !

Waste Management

Prevent
Reduce
Reuse
Recycle

WASTE RECYCLING

- ◆ Do Not Mix the Waste
- ◆ Segregate Waste
- ◆ Think Before you trash
- ◆ Dispose Chemical Waste as per MSDS

QHSE Department

APEX NATIONAL CATERING
الخدمات الوطنية للتأطير

Safety Alert !

Save Electricity

SAVE ELECTRICITY ONCE USED CAN NOT BE RESTORED

- Switch off lights & Equipment's when not in use
- Switch to Energy efficient Lights & Equipment
- Replace or Repair all Defective Electrical Equipment's
- Use Natural lighting wherever Possible
- Conserve Energy to Preserve Future

QHSE Department

APEX NATIONAL CATERING
الخدمات الوطنية للتأطير

Think Before You Flush

Save water, and it will save you.

Do you know?

There are two different types of buttons in toilet flush. IT IS FOR WATER CONSERVATION: The long button is to flush out around 6 to 9 liters of water, whereas the short flush button is to flush out around 3 to 4.5 liters of water. Clearly, the larger one is to flush solid waste and the smaller one is to flush liquid waste.

Long Flush
Short Flush

SAVE WATER

It is estimated that if a person adopts the practice of dual flushing, it can save up to 20,000 liters of water in a year.

The future is in your hands

QHSE Dept.

APEX NATIONAL CATERING
الخدمات الوطنية للتأطير

Save Energy

Save Earth

- Use water and electricity wisely, consume as little as possible
- Turn off lights and ACs as you leave the office
- Turn off electrical appliances while not in use
- Repair water leakage immediately to avoid water waste
- Print wisely, print in grayscale and double side whenever possible
- Turnoff vehicle during idle condition

QHSE Dept.

APEX NATIONAL CATERING
الخدمات الوطنية للتأطير

Save Water

- Report water leakage as you observe
- Use low flow while using the tap
- Close the tap while you are lathering hands
- Close the tap completely as you leave

Shutting Off the Faucet While Washing Your Hands Could Save Gallons of Water Daily - Every Drop Counts

QHSE Dept.

SOCIAL STEWARDSHIP

- Human Assets
- Equal Opportunity and Diversity
- Wellbeing, Health & Safety
- Training & Development
- Emiratization
- Digitalization & Innovation



HUMAN ASSETS

We inspire our employees to enhance their skills and provide opportunities for their professional growth. Valuing each team member, we are dedicated to fostering a compassionate, inclusive, inspiring, and rewarding work environment. Through training and personal development initiatives, we aim to unlock the full potential of our employees, enabling them to build a fulfilling career with us. Both within and beyond our workplace, we are committed to promoting diversity, gender equality, and the well-being of our employees. Across our value chain and industry, we actively work to champion human rights for all.



Total number of employees

3,469 ²⁰²² 5,016 ²⁰²³



Male employees

3,361 ²⁰²² 4,929 ²⁰²³



Female employees

108 ²⁰²² 87 ²⁰²³

Our employees are the bedrock of our success, driving our growth and development. We prioritize diversity for innovation and competitive strength, with a commitment to equal opportunities, including women's employment. Our open learning environment encourages skill enhancement, and we recognize and reward timely goal achievers. CSR activities are tailored to address employee needs, contributing to their well-being and societal growth. Regular initiatives are planned to continually enhance the overall well-being of our employees and our organization.



LABOR



Male employees

²⁰²² 2,780

²⁰²³ 4,405



Female employees

²⁰²² 65

²⁰²³ 54

ENTRY LEVEL



Male employees

²⁰²² 370

²⁰²³ 296



Female employees

²⁰²² 21

²⁰²³ 5

MID-LEVEL



Male employees

²⁰²² 181

²⁰²³ 194



Female employees

²⁰²² 17

²⁰²³ 25

SENIOR TO EXECUTIVE LEVEL



Male employees

²⁰²² 30

²⁰²³ 34



Female employees

²⁰²² 5

²⁰²³ 3

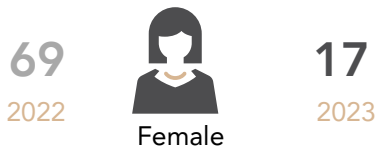
Total number of employees per category by age group

	Labor			Entry level			Mid-level			Senior to Executive level		
	30 yrs	30-50	>50	30 yrs	30-50	>50	30 yrs	30-50	>50	30 yrs	30-50	>50
2022	1,237	1,543	65	73	288	30	19	159	20	0	27	8
2023	1,614	2,691	154	58	213	30	41	149	29	1	23	13

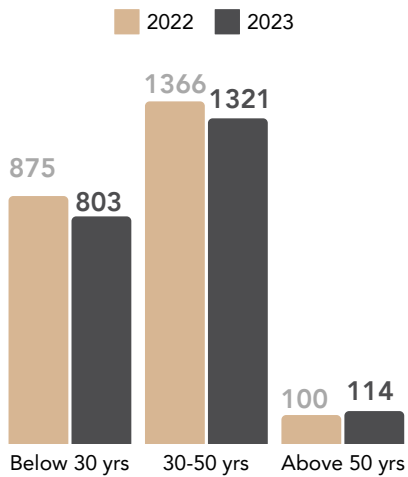
Total number of new hires by gender



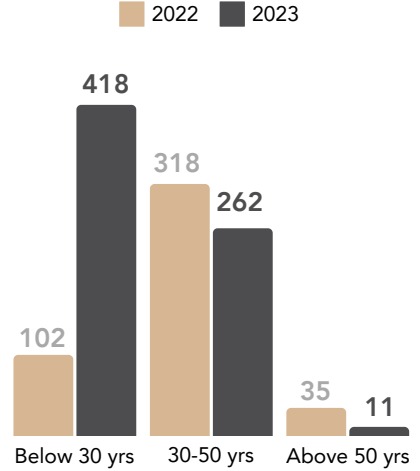
Total number of employees that left by gender



Total number of new hires by age group




Total number of employees that left by age group



EQUAL OPPORTUNITY AND DIVERSITY

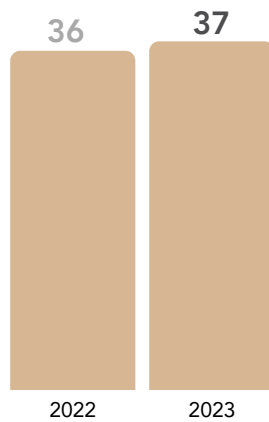
Our guiding principle is "equality in diversity". We are committed to providing equal opportunities without gender discrimination, emphasizing the growth of individuals and the overall organization. Our inclusive culture embraces team members of diverse backgrounds, genders, identities, abilities, heritage, and beliefs, contributing to our collective success. Recognizing the value of a diverse workforce, we believe it drives innovation, enhances engagement, and boosts job satisfaction, ultimately improving productivity and customer experiences. We cultivate a respectful and kind workplace where everyone is encouraged to achieve personal and professional goals with continuous support. In the upcoming years, we plan to introduce incentives for employees based on sustainability parameters.

 1:1
Male to Female Compensation Ratio

We take pride in providing life insurance coverage to all staff, including non-skilled employees, as part of their comprehensive benefits package. To promote gender diversity, the company promotes a supportive work environment tailored to meet the needs of female employees.




Total number of Nationalities



WELL-BEING HEALTH & SAFETY

Our employees stand as our most valued assets, and their health and well-being are our top priorities. Offering catering and facility management services, including waste management and cleaning, we recognize the significance of cleanliness and health. Adhering to safety precautions at work is fundamental in achieving this. In the realm of food services, we prioritize health and hygiene regulations, ensuring compliance for the benefit of both employees and customers. The kitchen environment maintains proper ventilation, lighting, and temperature, with ongoing checks on device conditions and provisions of certified safety equipment.

Our commitment extends to healthcare collaborations to enhance patient experiences through improved food services. In facility management, we prioritize health and safety, addressing aspects like fire safety, water safety, electrical safety, asbestos management, and hazardous waste management. Given our involvement in the cement manufacturing industry, we emphasize safety measures regarding asbestos. Acknowledging the lasting effects of mishandling these areas on customers, employees, and businesses, we highlight the importance of a sustainable health and safety strategy.

At Apex, we prioritize the health and well-being of our staff through comprehensive healthcare initiatives, including sports programs, health campaigns, and regular check-ups for our employees.



BLOOD
DONATION
CAMPAIGN
2023



HEALTH & SAFETY CERTIFICATIONS



In 2023, our organization achieved remarkable milestones aligned with our management's strategic objectives. Key accomplishments include the successful attainment of certifications such as -

- ISO 22000:2018
- ISO 14001:2015
- ISO 45001:2018
- ISO 9001:2015
- HACCP



HEALTH & SAFETY CERTIFICATIONS

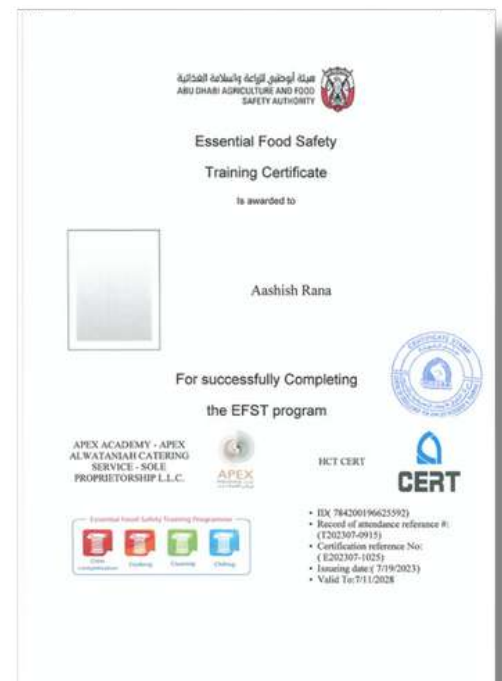
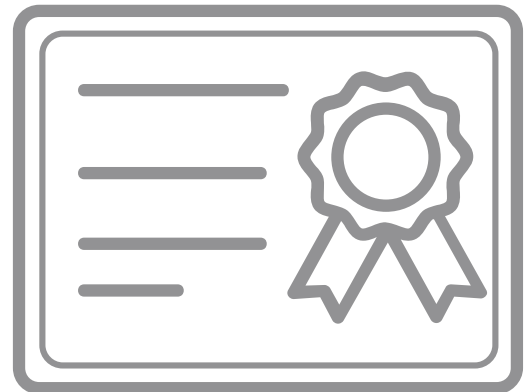
On behalf of Apex Holding & Apex Catering, Apex Academy is delighted to confirm that we have obtained official approval from ADAFSA (Abu Dhabi Agriculture and Food Safety Authority). This approval establishes us as an accredited company in Abu Dhabi authorized to deliver the EFST (Essential Food Safety Training) for the catering sector, reflecting our ongoing dedication to upholding stringent food safety standards

On behalf of Apex Holding & Apex Catering, Apex Academy has expanded its pool of Approved Tutors accredited by Highfield International - UK to provide Food Safety and Health & Safety Courses for the group

AACS has been granted approval by TADWEER to offer comprehensive General Pest Control Services for the group.

0

Fatalities



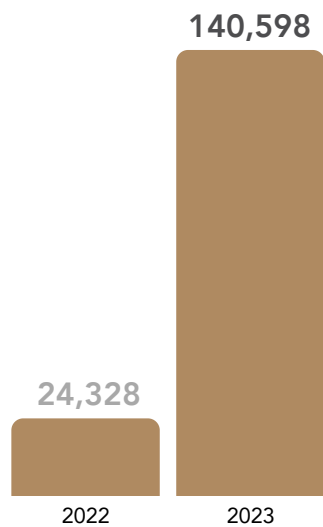
TRAINING & DEVELOPMENT



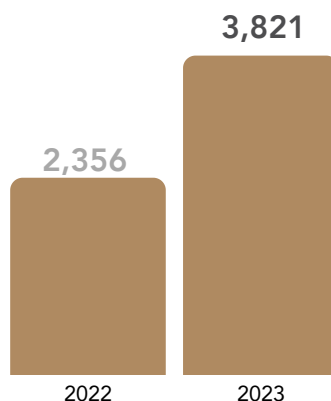
In our extensive portfolio of QHSE (Quality, Health, Safety, and Environment) training initiatives, we pride ourselves on offering a diverse range of programs aimed at promoting safety and compliance across various operational environments. From specialized sessions like "Beat The Heat" training to comprehensive "Fire Drill" exercises conducted at different locations, our training curriculum covers a wide spectrum of safety measures. We prioritize readiness and resilience through activities such as medical first aid drills, non-accidental death training, and interactive sessions like QHSE supervisors meetings. Our approach emphasizes continuous improvement, evidenced by lessons learned from incidents and tailored trainings for specific facilities and teams. Through these efforts, we aim to instill a culture of safety, preparedness, and proactive risk mitigation within our organization and beyond.



Total number of training hours



Total number of employees who received regular performance and career development reviews



At Apex, our commitment to employee growth and excellence is highlighted by our comprehensive training and development programs. These initiatives are strategically designed to enhance the skills and knowledge of our workforce, ensuring they stay abreast of industry trends and developments. Through regular training sessions, workshops, and skill-building exercises, we aim to empower our employees with the tools necessary to excel in their roles and contribute effectively to the company's overall success. Recognizing that a skilled and motivated workforce is a key driver of innovation and productivity, we consider training and development integral to our organizational culture. By investing in the professional development of our team, we not only promote individual growth but also fortify Apex Investments' position as a dynamic and forward-thinking company in the competitive business landscape.



EMIRATIZATION

In alignment with national objectives and values, Apex recognizes the importance of Emiratization initiatives in driving socio-economic growth and empowering local talent. By actively supporting Emiratization efforts, we demonstrate a commitment to promoting a diverse and inclusive workforce that reflects the rich cultural fabric of the UAE. Through targeted recruitment, training, and career development programs, Apex aims to contribute to the nation's vision of empowering Emiratis and creating a sustainable future for generations to come.

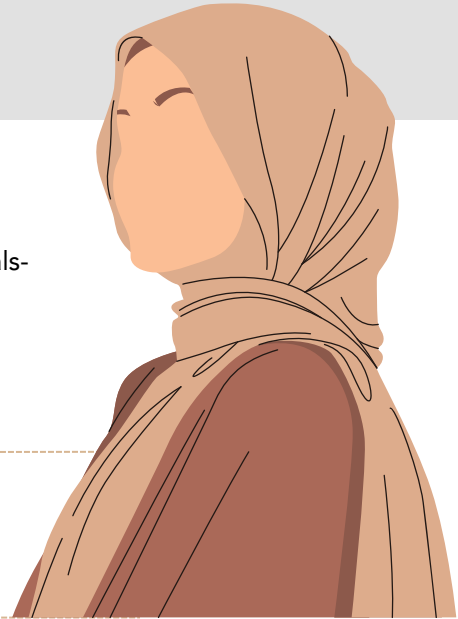


Total number of UAE Nationals by Management level

Mid-level	33 2022	35 2023
Senior level	6 2022	6 2023

Total number of UAE Nationals-

Females	13 2022	19 2023
Males	26 2022	22 2023



DIGITIZATION & INNOVATION

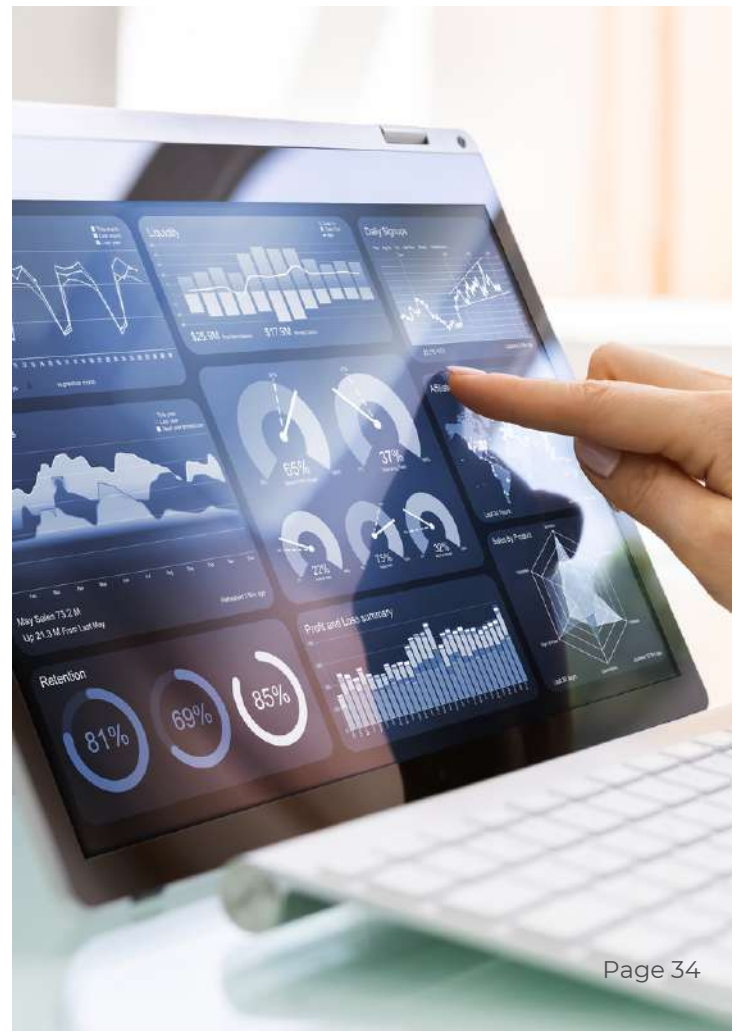
In an era marked by technological acceleration, the synergy between digitalization, innovation, and global sustainability is unmistakable. The imperative of embracing digital transformation is clear, promoting efficiency, agility, and competitiveness in a rapidly evolving world. This shift aligns seamlessly with the global commitment to environmental stewardship, exemplified by the recent COP28 hosted in the UAE. Digital technologies are integral to achieving the ambitious climate goals set during COP28, promoting eco-friendly practices and resilient solutions. In this dynamic landscape, digitalization and innovation emerge not just as tools for progress, but as indispensable enablers of a sustainable future.

In 2023, our primary focus involved identifying and selecting an ERP solution for the entire group. This initiative included conducting a gap analysis of processes across key Enterprise functions, with a strategic aim to unearth opportunities for waste elimination through the integration of technological innovations. We also executed a complete overhaul and enhancement of our Office Landscape to maximize the utilization of digital tools, including analytical tools, data privacy measures, automation, workflow management, and collaboration platforms such as Teams, SharePoint, and social learning tools. The development and implementation of an integrated HRMS system across the entire group were finalized to seamlessly align with the selected ERP system.

As part of our ongoing efforts, we are meticulously reviewing all security protocols, documenting known processes such as access control and cybersecurity, ensuring a robust and well-documented framework for enhanced security measures.

We have undertaken a significant investment in Group-wide Digital Transformation.

A comprehensive digital transformation is currently underway across Group IT, encompassing a meticulous Gap Analysis of our Enterprise and local systems. An in-depth review of existing processes is in progress, laying the groundwork for process re-engineering scheduled for Q1 and Q2 of 2024 following process mapping workshops.



In the short term, the focus is on completing a comprehensive gap analysis encompassing systems, reports, automation opportunities, and collecting Technology/Innovation requirements from various business units. The AS-IS requirements will be presented to the business units for validation.

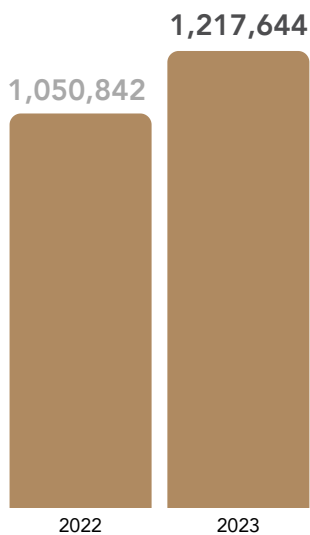
In the medium term, the plan involves initiating an RFP for a comprehensive ERP system that aligns with our strategic objectives. This ERP will address Data, ESG, compliance, business, and financial needs, requiring the involvement of business champions and subject matter experts from all units to transition from the As-Is to a To-Be state.

Looking ahead in the long term, the emphasis is on finalizing ERP implementation and various Digital Transformation initiatives. This includes the upskilling of our IT team, establishing channels for support and communication to all employees, and addressing reporting needs to promote a culture of data-driven decision-making. Efforts will also be directed towards creating avenues for employee feedback, promoting continuous improvement, change, and innovation through platforms like SharePoint, Intranet, and Social collaboration/learning tools.

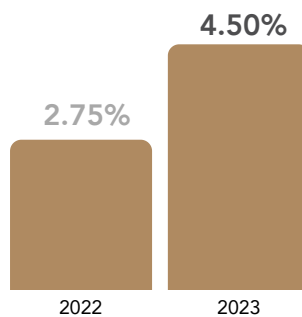


Investment in technology and innovation

Total Amount in AED



% of Total Capex



Nature of the most significant investments

New ERP SAP (BYD) for catering

New ERPs and HRMS plus Biometric systems

Data Protection

Our company has actively undertaken measures to adhere to GDPR regulations. Initially managed manually through HR policies, we've initiated a Q4 enhancement project for Office 365. The implementation of comprehensive data protection tools throughout the Office Landscape will be rolled out soon.

ETHICAL GOVERNANCE

- Regulatory Authorities & Committees
- Risk Management
- Procurement



REGULATORY AUTHORITIES & COMMITTEES

At APEX Investment, our commitment to a comprehensive governance framework highlights our dedication to executing operations and functions ethically, compliantly, and equitably. This commitment aligns with industry norms, laws, and regulations, shaping the allocation of rights and responsibilities across various aspects of the company. The ultimate objective is to cultivate sustainable value and prosperity for the business and its shareholders.

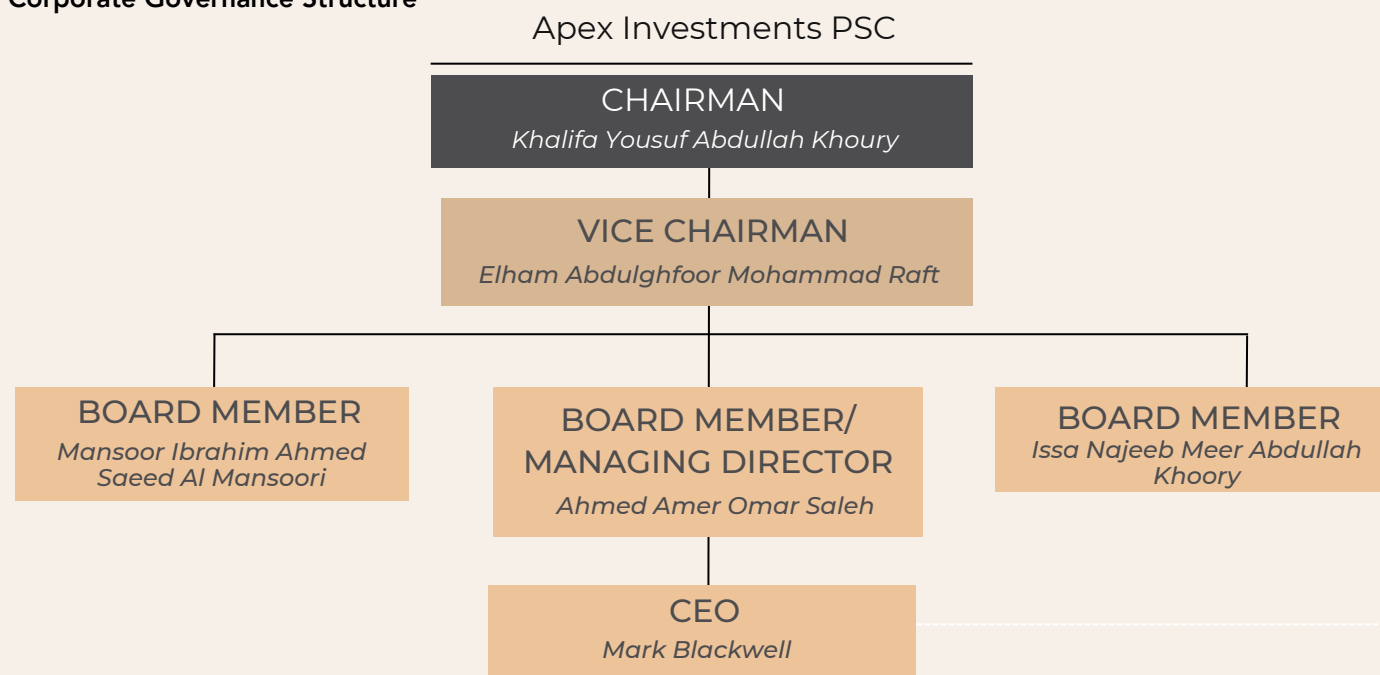
The Board of Directors at APEX Investment, appointed by the shareholders, assumes a pivotal role in overseeing adherence to the established governance structure. This influential body is entrusted with formulating strategies, directives, and instructions, contributing significantly to the definition and achievement of goals with optimal effectiveness and efficiency.

Recognizing the pivotal role of a well-structured corporate governance framework, we understand its significance in facilitating sound decision-making, ensuring transparency, fostering accountability, and fortifying resilience in the face of uncertainties. Our governance model embraces a stakeholder-inclusive approach, allowing it to oversee the ethical, compliant, and equitable execution of our operations and functions. This is done in alignment with industry norms, laws, and regulations, while upholding our internal standards and objectives.

The Corporate Governance Framework at APEX delineates the specific responsibilities of key entities such as the Board of Directors, Board Committees, Executive Committees, Management Committees, and functions like Compliance, Risk Management, and Internal Audit.

As the principal governing body appointed by shareholders, the Board of Directors holds the ultimate responsibility for our success. In its strategic role, the Board formulates approaches that contribute to achieving our corporate objectives, ensuring activities are carried out with utmost effectiveness and efficiency. This encompasses overseeing management, monitoring Internal Control and Corporate Governance, and supervising the human resources required for successful strategy implementation. The Board approves investments, business plans, budgets, and financial statements, while diligently disseminating relevant information to all shareholders in a timely manner.

Corporate Governance Structure



AUDIT COMMITTEE

CHAIRWOMAN

Elham Abdulghfoor Mohammad Raft

COMMITTEE MEMBER

Mansoor Ibrahim Ahmed Saeed Al Mansoor

COMMITTEE MEMBER

Issa Najeeb Meer Abdullah Khoory

INVESTMENTS COMMITTEE

CHAIRMAN

Issa Najeeb Meer Abdullah Khoory

COMMITTEE MEMBER

Mansoor Ibrahim Ahmed Saeed Al Mansoor

COMMITTEE MEMBER

Elham Abdulghfoor Mohammad Raft

COMMITTEE MEMBER

Ahmed Amer Omar Saleh

NUMERATION AND RENUMERATION COMMITTEE

CHAIRMAN

Mansoor Ibrahim Ahmed Saeed Al Mansoor

COMMITTEE MEMBER

Elham Abdulghfoor Mohammad Raft

COMMITTEE MEMBER

Issa Najeeb Meer Abdullah Khoory

Board Composition

Number of individuals in the governance body/ board by age group

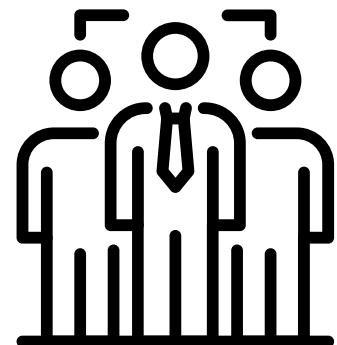
30-50 yrs	3	3
	2022	2023

Above 50	0	0
	2022	2023

Number of individuals in the governance body/ board by gender

Females	1	1
	2022	2023

Males	2	2
	2022	2023



All the Board Members are UAE Nationals. Out of 3 board members, 2 are independent board members. Our Annual Compensation Ratio stands as per industry standards.

RISK MANAGEMENT

Effective risk management is crucial for safeguarding the integrity and sustainability of any organization. By proactively identifying, assessing, and mitigating potential risks, businesses can protect their assets, reputation, and stakeholders' interests. In this context, it's essential to evaluate if the risk assessment process adequately addresses corruption-related risks and to implement appropriate mitigation measures to ensure transparency, integrity, and compliance within the organization.

To address the potential for undue influence, personal favoritism, or bribery affecting procurement decisions, we've instituted a delegation of authority framework with specified limits. Additionally, our procurement committee conducts thorough reviews of significant expenditures, while items exceeding AED 10,000 undergo a comparison of at least three quotes to uphold integrity. To mitigate risks such as embezzlement, fraud, and losses attributable to corruption, we've implemented robust financial controls, established comprehensive reporting mechanisms, and manage key performance indicators (KPIs) diligently. To partially offset inherent business risks, we maintain insurance coverage.

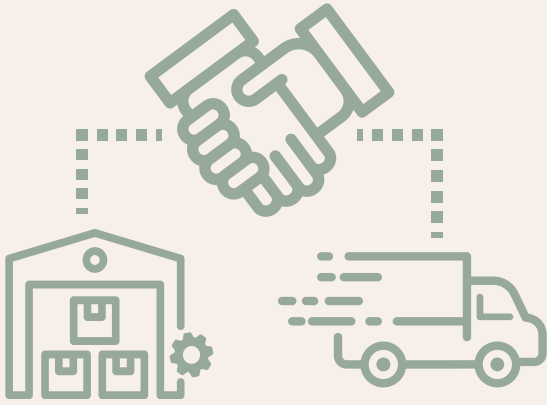


RISK

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Aliquam dignissim, enim faucibus, neque nisi pulvinar nibh, nunc quis lorem. Class aptent lacus litora torquent per conubia nostra, per himenaeos. Aenean quis dolor sit amet, cursus.

PROCUREMENT

Procurement plays a pivotal role in the operational efficiency and financial health of any organization. Responsible for sourcing goods and services essential to business operations, procurement ensures the timely acquisition of quality products at optimal costs. Effective procurement strategies not only drive cost savings but also contribute to supplier relationship management and overall organizational success. In today's dynamic business landscape, strategic procurement practices are essential for staying competitive and meeting evolving market demands.



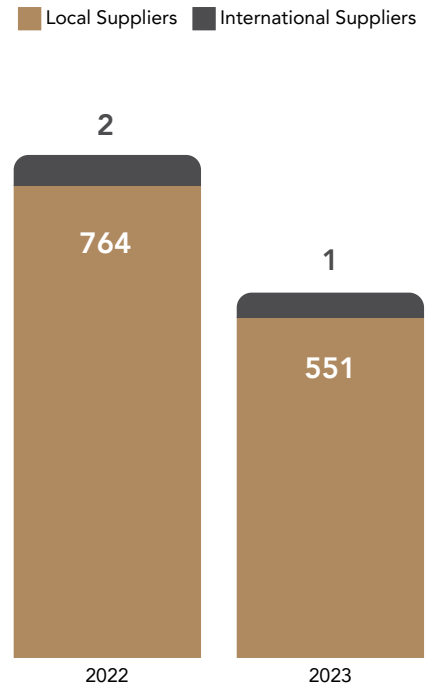
99.8%

of our suppliers are local suppliers

100%

of our supplier spending is on local suppliers

Total Number of Suppliers




SUSTAINABILITY MANAGEMENT AT APEX


- Listening to our Stakeholders
- Materiality Analysis





LISTENING TO OUR STAKEHOLDERS

As an integral facet of APEX Investments' strategic objectives, the company is dedicated to formulating and actively advancing toward the realization of ESG goals. APEX Investments ensures that its workforce upholds established best practices, promoting a culture of accountability, transparency, and integrity in all business transactions. Recognizing our role as a prominent investment entity, we acknowledge our responsibility to the local community. Hence, the adoption of sustainable investment practices becomes pivotal in attaining our overarching long-term sustainability objectives.

 **Stakeholder Recognition -** Recognize stakeholders through discussions and deliberations within the corporate center sustainability committee.

 **Priority Setting -** Assign priority to stakeholders according to the level of influence they exert on our decisions and activities.

 **Stakeholder Involvement -** Engage with stakeholders through diverse channels to identify material topics.

 **Expectation Management -** Strengthen stakeholder relationships by addressing their concerns and meeting their requirements.

Our current standing as an industry leader is indebted to the support of our stakeholders, who serve as both our motivation and guiding forces. Engaging with them is not just a process but a partnership, where we seek their perspectives to shape our growth trajectory. Collaborating closely, we identify what holds utmost importance for our business and keep them informed about environmental, social, and governance considerations. Given the diverse nature of our stakeholder entities due to the wide array of our activities, we embrace the richness of these interactions.

Our strong belief lies in respecting and being responsive to the interests of our stakeholders, recognizing their significant role in determining our growth. Their active involvement is paramount, and we continuously strive for transparency in our communication, always seeking avenues for improvement. Both our clients and stakeholders hold immense value for us. We maintain an ongoing dialogue with our clients to understand their needs, regularly gathering feedback through various surveys and channels. This dynamic engagement ensures that we not only meet but exceed the expectations of those who contribute to our success.

Our Stakeholders include-

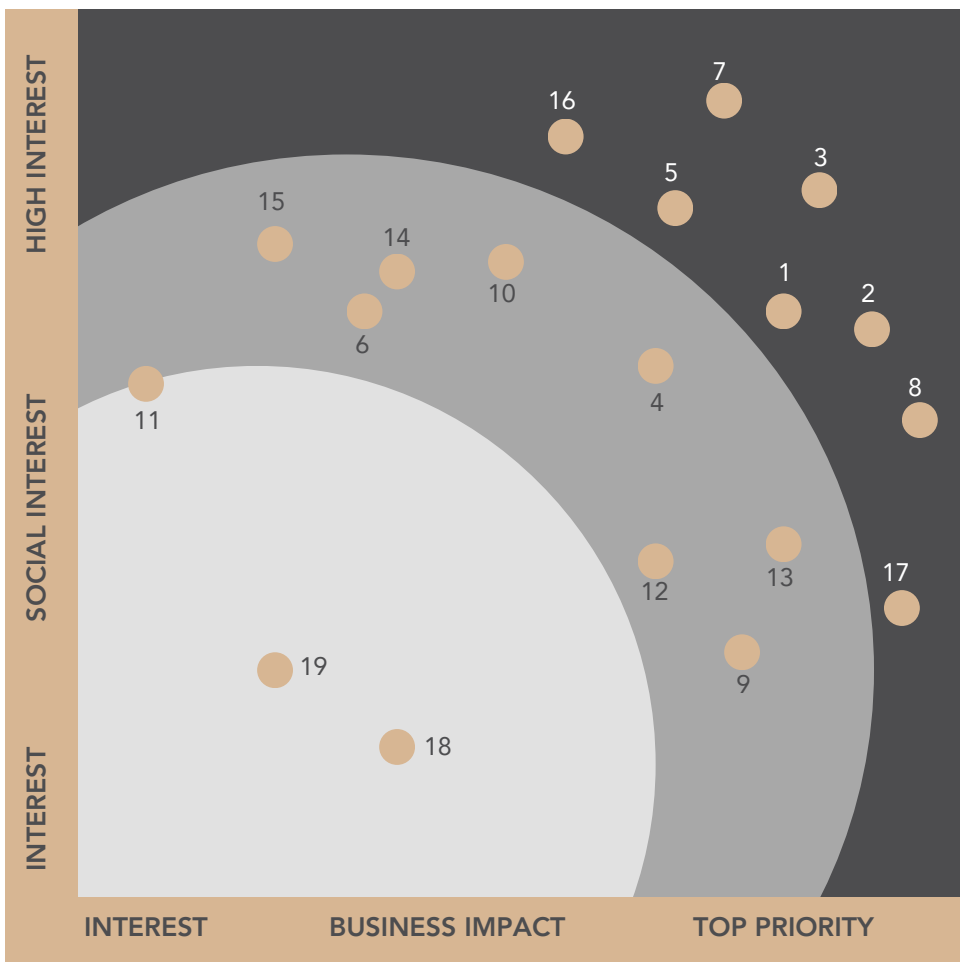


MATERIALITY ANALYSIS

Understanding the social, environmental, and economic concerns of our stakeholders is vital for addressing today's and tomorrow's critical issues. Engaging with stakeholders across our operations, those who may impact our business objectives directly or indirectly, remains a key focus. Through ongoing materiality evaluations, involving internal and external data and diverse stakeholders, including team members, guests, and experts, we have refined our goals.

Materiality analysis serves as a crucial tool, aligning societal goals with our vision and business strategy, and guiding the content of our sustainability report. We identify and prioritize issues after extensive stakeholder interaction, focusing on those significantly impacting our economic, social, and environmental performance, with lasting implications.




This matrix aids in strategic decision-making, and we actively seek insights from both internal and external stakeholders to ensure a comprehensive approach. In crafting this materiality matrix, we have integrated feedback from both internal and external stakeholders, along with valuable industry insights.




1. GRI - 302, 305 Energy and Emissions
2. GRI 306 Waste
3. Sustainable Operations
4. GRI - 307 Environmental Compliance
5. GRI - 403 Occupational Health & Safety
6. GRI 405 Diversity & Equal Opportunity
7. GRI 416 Customer Health & Safety
8. Client Satisfaction
9. GRI - 402 Labor-Management Relations
10. GRI - 205 Anti-Corruption
11. GRI 303 Water
12. GRI 401 Employment
13. Employee well-being and Retention Rate
14. GRI - 404 Training and Development
15. GRI - 413 Local Communities; CSR; Corporate Volunteering
16. Nationalization
17. Innovation and R&D
18. Human Rights
19. GRI 204 Procurement Practices



ADX ESG INDEX


	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
Environmental	E1. GHG Emissions	E1.1) Total amount, in CO2 equivalents, for Scope 1 E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable) E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)	GRI 305: Emissions 2016		Page 17
	E2. Emissions Intensity	E2.1) Total GHG emissions per output scaling factor E2.2) Total non-GHG emissions per output scaling factor	GRI 305: Emissions 2016		Page 17
	E3. Energy Usage	E3.1) Total amount of energy directly consumed E3.2) Total amount of energy indirectly consumed	GRI 302: Energy 2016		Page 18
	E4. Energy Intensity	Total direct energy usage per output scaling factor	GRI 302: Energy 2016		Page 18

METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
E5. Energy Mix	Percentage: Energy usage by generation type	GRI 302: Energy 2016		Page 18
E6. Water Usage	E6.1) Total amount of water consumed E6.2) Total amount of water reclaimed	GRI 303: Water and Effluents 2018		Page 19
E7. Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes, No E7.2) Does your company follow specific waste, water, energy, and/or recycling polices? Yes/No E7.3) Does your company use a recognized energy management system? Yes/No	GRI 103: Management Approach 2016*		Yes, Included in our QHSE Policy. Yes, included in QHSE policy Page 29
E8. Environmental Oversight	Does your Board/ Management Team oversee and/or manage climate-related risks? Yes/No	GRI 102: General Disclosures 2016		Page 37



METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
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E9. Environmental Oversight	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No			Page 37
E10. Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development?			Page 35

Social	S1. CEO Pay Ratio	S1.1) Ratio: CEO total compensation to median FTE total compensation S1.2) Does your company report this metric in regulatory filings? Yes/No	GRI 102: General Disclosures 2016	 Yes	Page 38
	S2. Gender Pay Ratio	Ratio: Average male compensation to average female compensation	GRI 405: Diversity and Equal Opportunity 2016		Page 27
	S.3 Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees	GRI 401: Employment 2016		Page 25, 26

	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
Social		S3.2) Percentage: Year-over-year change for part-time employees S3.3) Percentage: Year-over-year change for contractors and/or consultants			No part-time employees. No enterprise headcount held by contractors and/or consultants
	S.4 Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women S4.2) Percentage: Entry- and mid-level positions held by men and women S4.3) Percentage: Senior- and executive-level positions held by men and women	GRI 102: General Disclosures 2016 GRI 405: Diversity and Equal Opportunity 2016 GRI 405: Diversity and Equal Opportunity 2016		Page 25 Page 25 Page 25
	S.5 Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	GRI 102: General Disclosures 2016		No part-time employees. No enterprise headcount held by contractors and/or consultants

Social

S6. Non-Discrimination	Does your company follow a sexual harassment and/or nondiscrimination policy? Yes/No	GRI 103: Management Approach 2016*		Page 27
S7. Injury Rate	Percentage: Frequency of injury events relative to total workforce time	GRI 403: Occupational Health and Safety 2018		Page 30
S8. Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	GRI 403: Occupational Health and Safety 2018		Page 29, 30
S9. Child & Forced Labor	S9.1) Does your company follow a child and/or forced labor policy? Yes/No S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	GRI 103: Management Approach 2016*		Yes, we adhere to UAE laws.
S10. Human Rights	S10.1) Does your company follow a human rights policy? Yes/No	GRI 103: Management Approach 2016*		Page 25

	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
Social		S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No			No
	S11. Nationalization	S11.1) Percentage of national employees S11.2) Direct and indirect local job creation			Page 33 Page 33
	S12. Community Investment	S12.1) Amount invested in the community, as a percentage of company revenues			Potential areas are being evaluated, to be considered for investments in future.
Governance	G1. Board Diversity	G1.1) Percentage: Total board seats occupied by men and women G1.2) Percentage: Committee chairs occupied by men and women	GRI 405: Diversity and Equal Opportunity 2016		Page 37, 38 Page 37, 38
	G2. Board Independence	G2.1) Does company prohibit CEO from serving as board chair? Yes/No	GRI 102: General Disclosures 2016		Yes

METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
	G2.2) Percentage: Total board seats occupied by independents			Page 38
G3. Incentivized Pay	Are executives formally incentivized to perform on sustainability? Yes/No	GRI 102: General Disclosures 2016		Page 21
G4. Supplier Code of Conduct	G4.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	GRI 102: General Disclosures 2016 GRI 103: Management Approach 2016*		Potential areas are being evaluated, to be covered in subsequent reports.
G5. Ethics & Anti-Corruption	G5.1) Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No G5.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	GRI 102: General Disclosures 2016 GRI 103: Management Approach 2016*		Potential areas are being evaluated, to be covered in subsequent reports.

	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
Governance	G6. Data Privacy	G6.1) Does your company follow a Data Privacy policy? Yes/No G6.2) Has your company taken steps to comply with GDPR rules? Yes/No	GRI 103: Management Approach 2016*		Page 34 Potential areas are being evaluated, to be covered in subsequent reports.
	G7. Sustainability Reporting	G7.1) Does your company publish a sustainability report? Yes/No G7.2) Is sustainability data included in your regulatory filings? Yes/No			Yes Yes
	G8. Disclosure Practices	G8.1) Does your company provide data to sustainability reporting frameworks? G8.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No G8.3) Does your company set targets and report progress on the UN SDGs? Yes/No			No, we will be considering in future for necessary disclosures. Yes No, we will be considering in next report for necessary disclosures.

	METRIC	CALCULATION	CORRESPONDING GRI STANDARD	RELEVANT SDGs	PAGE NO.
Governance	G9. External Assurance	Are your sustainability disclosures assured or validated by a third party? Yes/No	GRI 102: General Disclosures 2016 * GRI 103: Management Approach 2016 is to be used in combination with the topic specific Standards		No





The endless journey to reach the Apex taught us a responsibility. Our investments impact today and the future. We are responsible.

-Adi



APEX
INVESTMENT PSC
إبيكس للاستثمار ش.م.ع.

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Developed by the assistance
of our Sustainability Partner
THE ONE PERCENT