

Apex Investment PSC

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

PERIOD ENDED 31 MARCH 2024

REPORT ON THE REVIEW OF

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF

APEX INVESTMENT PSC

Introduction

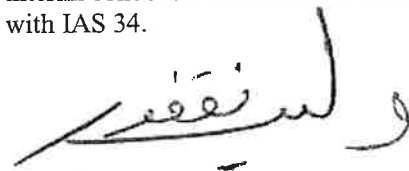
We have reviewed the accompanying interim condensed consolidated financial statements of Apex Investment PSC (the “Company”) and its subsidiaries (together referred to as the “Group”), comprising the interim consolidated statement of financial position as at 31 March 2024, and the related interim consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, “Interim Financial Reporting (IAS 34)”. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

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



Signed by:
Walid Nakfour
Partner
Ernst & Young
Registration No 5479

26 April 2024
Abu Dhabi

Apex Investment PSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS For the three-month period ended 31 March 2024 (Unaudited)

	Notes	<i>Three-month period ended</i>	
		<i>31 March 2024 AED (Unaudited)</i>	<i>31 March 2023 AED (Unaudited)</i>
Revenues	3	195,323,482	147,737,157
Cost of sales		<u>(153,492,062)</u>	<u>(128,570,842)</u>
GROSS PROFIT		41,831,420	19,166,315
General and administrative expenses		(12,453,772)	(14,242,626)
Other income		8,312,151	1,357,164
Finance costs		(442,119)	(425,302)
Foreign exchange loss, net		<u>-</u>	<u>(30,418)</u>
PROFIT FROM OPERATIONS		37,247,680	5,825,133
Net loss from financial assets carried at fair value through profit or loss	8	(31,547,589)	(195,273,343)
Share of loss from equity accounted investees	7	<u>(323,436)</u>	<u>(736,428)</u>
PROFIT (LOSS) BEFORE TAX		<u>5,376,655</u>	<u>(190,184,638)</u>
Income tax expense	4	<u>(1,106,370)</u>	<u>-</u>
PROFIT (LOSS) FOR THE PERIOD		<u>4,270,285</u>	<u>(190,184,638)</u>
Basic earnings (loss) per share	19	<u>0.001</u>	<u>(0.054)</u>

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

Apex Investment PSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the three month period ended 31 March 2024 (Unaudited)

		<i>Three-month period ended</i>	
		<i>31 March</i>	<i>31 March</i>
		<i>2024</i>	<i>2023</i>
	<i>Note</i>	<i>AED</i>	<i>AED</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
PROFIT (LOSS) FOR THE PERIOD		4,270,285	(190,184,638)
Other comprehensive loss:			
<i>Items that may not be subsequently reclassified to the consolidated statement of profit or loss in subsequent periods:</i>			
Net decrease in value of financial assets carried at fair value through other comprehensive income (FVTOCI)	4&8	<u>(4,298,068)</u>	<u>(65,150,586)</u>
TOTAL OTHER COMPREHENSIVE LOSS FOR THE PERIOD		<u>(4,298,068)</u>	<u>(65,150,586)</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		<u>(27,783)</u>	<u>(255,335,224)</u>

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

Apex Investment PSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION At 31 March 2024

		31 March 2024 AED (Unaudited)	31 December 2023 AED Audited
	Notes		
ASSETS			
Non-current assets			
Property, plant and equipment	5	342,753,722	348,853,470
Intangible assets		6,906,667	6,913,271
Deferred tax asset	4	3,264,367	-
Right-of-use of assets		15,972,040	16,110,979
Investments in equity accounted investees	7	38,481,522	38,804,958
Financial assets carried at FVTOCI	8	<u>139,599,369</u>	<u>144,322,521</u>
		<u>546,977,687</u>	<u>555,005,199</u>
Current assets			
Inventories	9	69,919,587	76,220,392
Trade and other receivables	6	244,702,600	332,825,371
Financial assets carried at fair value through profit or loss (FVTPL)	8	419,286,596	450,834,185
Amounts due from related parties	14	151,336,866	176,422,632
Cash and bank balances	10	<u>710,167,336</u>	<u>607,791,559</u>
		<u>1,595,412,985</u>	<u>1,644,094,139</u>
TOTAL ASSETS		<u>2,142,390,672</u>	<u>2,199,099,338</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	3,553,195,467	3,553,195,467
Merger reserve		(1,800,910,103)	(1,800,910,103)
Cumulative changes on revaluation of financial assets		62,654,085	66,952,153
Statutory reserve	12.1	88,862,482	88,435,453
Voluntary reserve	12.2	51,756,274	51,756,274
Accumulated losses		<u>(9,957,842)</u>	<u>(13,801,098)</u>
Total equity		<u>1,945,600,363</u>	<u>1,945,628,146</u>
Non-current liabilities			
Provision for employees' end of service benefits		8,871,169	8,099,005
Deferred tax liability	4	619,435	-
Lease liabilities		<u>1,535,469</u>	<u>1,574,290</u>
		<u>11,026,073</u>	<u>9,673,295</u>
Current liabilities			
Trade and other payables	13	152,415,503	180,127,591
Lease liabilities		15,468	17,467
Current tax payable	4	3,326,218	-
Amounts due to related parties	14	28,684,983	42,048,254
Short term borrowings	15	<u>1,322,064</u>	<u>21,604,585</u>
		<u>185,764,236</u>	<u>243,797,897</u>
Total liabilities		<u>196,790,309</u>	<u>253,471,192</u>
TOTAL EQUITY AND LIABILITIES		<u>2,142,390,672</u>	<u>2,199,099,338</u>



Group Chairman of the Board



Group Managing Director

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

Apex Investment PSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2024

	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 AED
Balance at 1 January 2023 (Audited)	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 period	-	-	-	-	-	(190,184,638)	(190,184,638)
Other comprehensive loss for the period	-	-	-	-	(65,150,586)	-	(65,150,586)
Total comprehensive loss for the period	-	-	-	-	(65,150,586)	(190,184,638)	(255,335,224)
At 31 March 2023 (Unaudited)	<u>3,553,195,467</u>	<u>(1,800,910,103)</u>	<u>88,435,453</u>	<u>51,756,274</u>	<u>46,196,233</u>	<u>(145,552,627)</u>	<u>1,793,120,697</u>
Balance at 1 January 2024 (Audited)	3,553,195,467	(1,800,910,103)	88,435,453	51,756,274	66,952,153	(13,801,098)	1,945,628,146
Profit for the period	-	-	-	-	-	4,270,285	4,270,285
Other comprehensive loss for the period	-	-	-	-	(4,298,068)	-	(4,298,068)
Total comprehensive (loss) profit for the period	-	-	-	-	(4,298,068)	4,270,285	(27,783)
Transfer to statutory reserve	-	-	427,029	-	-	(427,029)	-
At 31 March 2024 (Unaudited)	<u>3,553,195,467</u>	<u>(1,800,910,103)</u>	<u>88,862,482</u>	<u>51,756,274</u>	<u>62,654,085</u>	<u>(9,957,842)</u>	<u>1,945,600,363</u>

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

Apex Investment PSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2024 (Unaudited)

	Notes	<i>Three-month period ended</i>	
		<i>31 March 2024 AED (Unaudited)</i>	<i>31 March 2023 AED (Unaudited)</i>
OPERATING ACTIVITIES			
Profit (loss) before tax for the period		5,376,655	(190,184,638)
Adjustments for:			
Depreciation of property, plant and equipment	5	9,146,094	7,480,766
Gain on sale of property, plant and equipment		(9,636)	-
Amortization of intangible assets		6,604	13,149
Amortization of right-of-use assets		138,939	138,941
Fair value loss on revaluation of investments at FVTPL	8	31,547,589	195,273,343
Provision for employees' end of service benefits		1,001,849	846,988
Share of loss from equity accounted investees	7	323,436	736,428
(Provision for) reversal of expected credit loss on trade and other receivables and amount due from related parties	6 & 14	5,603,362	(7,414,553)
Finance costs		442,119	425,302
Cash flow from operating activities		<u>53,577,011</u>	<u>7,315,726</u>
Working capital adjustments:			
Inventories		6,300,805	(8,401,593)
Trade and other receivables		86,232,542	87,275,697
Trade and other payables		(27,712,088)	(19,065,841)
Amount due from related parties		21,372,633	(24,922,063)
Amount due to related parties		(13,363,271)	730,238
Cash from operations		126,407,631	42,932,164
Employees' end of service benefits paid		(229,684)	(243,611)
Net cash from operating activities		<u>126,177,948</u>	<u>42,688,553</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(4,089,619)	(5,067,859)
Proceeds from sale of property, plant and equipment		1,052,909	176,290
Net cash used in investing activities		<u>(3,036,710)</u>	<u>(4,891,569)</u>
FINANCING ACTIVITIES			
Net movement in bank borrowings		-	(1,158,655)
Lease payments		(69,501)	-
Finance costs paid		(413,439)	(425,302)
Net cash used in financing activities		<u>(482,940)</u>	<u>(1,583,957)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		122,658,298	36,213,027
Cash and cash equivalents at the beginning of the period		586,176,684	127,142,191
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	10	708,834,982	163,355,218

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

Apex Investment PSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2024

1 ACTIVITIES

Apex Investment PSC (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 Abu Dhabi Securities Exchange (ADX).

These interim condensed 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.

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. Subsequently, on 30th January 2024, Tamween Companies Management LLC sold 3% of Apex Investment PSC shareholding, resulting in Apex Investment PSC no longer being a subsidiary but an associate of Tamween Companies Management LLC.

The interim condensed consolidated financial statements of the Group for the period ended 31 March 2024 were authorised for issuance by the Board of Directors on 26 April 2024

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements are of the Group prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

The interim condensed consolidated financial statements have been presented in United Arab Emirates Dirhams (“AED”), which is the functional and presentation currency of the Group. All financial information is presented in AED has been rounded to the nearest thousand, unless otherwise stated.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the annual consolidated financial statements as at 31 December 2023. In addition, results for the three month period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ended 31 December 2024.

Apex Investment PSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2024

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.2 BASIS OF CONSOLIDATION continued

Details of subsidiaries as at 31 March 2024 were as follows:

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			31 March 2024	2023
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	-	-
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	-	-
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%	100%
Apex Commercial Investment – SPLLC	United Arab Emirates	Commercial enterprises investment, institution and management	100%	100%

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

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

(***) During 2023, 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.

The financial statements of the subsidiaries are prepared for the same reporting period as the Group, using consistent accounting policies. All intra-group balances, transactions, income and expenses and profits or losses resulting from intra-group transactions that are recognized in assets, are eliminated in full.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 March 2024

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION continued

2.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of liabilities as Current or Non-current

The amendments had no impact on the Group's interim condensed consolidated financial statements.

3 REVENUES

An analysis of the Group's revenues is as follows :

	<i>Three-month period ended</i>	
	<i>31 March 2024 AED (Unaudited)</i>	<i>31 March 2023 AED (Unaudited)</i>
Catering services	108,112,143	70,602,915
Sale of tents	-	17,000,000
Facility management services	22,723,794	33,471,848
Contracting services	5,048,397	3,964,257
Sale of cement	<u>59,439,148</u>	<u>22,698,137</u>
Total	<u>195,323,482</u>	<u>147,737,157</u>

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

	<i>Three-month period ended</i>	
	<i>31 March 2024 AED (Unaudited)</i>	<i>31 March 2023 AED (Unaudited)</i>
Timing of revenue recognition		
Goods and services transferred at a point in time	173,261,809	98,947,552
Goods and services transferred over time	<u>22,061,673</u>	<u>48,789,605</u>
Total	<u>195,323,482</u>	<u>147,737,157</u>

Apex Investment PSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2024

4 INCOME TAX EXPENSE

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	<i>Three-month period ended</i>	
	<i>31 March 2024 AED (Unaudited)</i>	<i>31 March 2023 AED (Unaudited)</i>
Income taxes		
Current income tax expense	<u>1,106,370</u>	<u>-</u>
Income tax expense recognized in statement of profit or loss	<u>1,106,370</u>	<u>-</u>
Deferred tax related to items recognized in OCI during the period		
Financial assets carried at fair value through OCI		
Losses arising during the period	<u>425,084</u>	<u>-</u>
Deferred tax credited to OCI	<u>425,084</u>	<u>-</u>

5 PROPERTY AND EQUIPMENT

During the period, additions to property, plant and equipment amounted to AED 4,089,619 (three-month period ended 31 March 2023: AED 5,067,859), and depreciation charge for the three-month period ended 31 March 2024 amounted to AED 9,146,094 (three-month period ended 31 March 2023: AED 7,480,766). Disposal of property, plant and equipment amounted to AED 1,043,273 (three-month period ended 31 March 2023: AED 181,136).

6 TRADE AND OTHER RECEIVABLES

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Trade receivables – from government entities	58,458,931	140,830,748
Trade receivables – from non-government entities	65,537,161	66,800,845
Unbilled receivables – from government entities	67,166,743	57,931,111
Unbilled receivables – from non-government entities	<u>19,648,140</u>	<u>18,641,120</u>
	210,810,975	284,203,824
Less: provision for expected credit losses	<u>(17,850,961)</u>	<u>(15,960,732)</u>
	192,960,014	268,243,092
Trade receivables – net	9,335,564	9,335,564
Retention receivables	6,311,772	9,156,195
Prepayments	5,146,521	7,584,143
Advances to suppliers	2,271,638	7,934,286
Accrued income	2,155,162	17,239,543
Deposits	<u>26,521,929</u>	<u>13,332,548</u>
Other receivables, net*	<u>244,702,600</u>	<u>332,825,371</u>

* Other receivables, net includes amount receivable from a supplier amounting to AED 1,921,305 (31 December 2023: AED 1,921,305) against which specific provision has been made by the Group.

Apex Investment PSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2024

6 TRADE AND OTHER RECEIVABLES continued

Trade receivable balance at the end of the period is due from multiple customers including receivable from 5 customers amounting to AED 165,383,882 (31 December 2023: AED 285,825,824) representing 78% (31 December 2023: 86%) 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 provision for expected credit losses was as follows:

	31 March 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Opening balance	15,960,732	31,914,486
Charge (reversal) for the period/year	1,890,229	(15,937,126)
Write off	-	(16,628)
Closing balance	<u>17,850,961</u>	<u>15,960,732</u>

	<i>Past due</i>					
	<i>Total AED</i>	<i>0-90 days AED</i>	<i>90-180 days AED</i>	<i>180-270 days AED</i>	<i>270-360 days AED</i>	<i>More than 360 days AED</i>
<i>At 31 March 2024 (Unaudited)</i>						
Expected credit loss rate	0.33%	0.33%	0.33%	0.33%	0.33%	0.33%
Estimated total gross carrying amount at default – government trade and unbilled receivables	125,625,674	77,404,487	13,273,018	13,442,898	20,316,717	1,188,554
Expected credit loss	412,114	253,925	43,542	44,099	66,649	3,899
Expected credit loss rate	20.47%	4.77%	19.17%	80.87%	93.56%	100.00%
Estimated total gross carrying amount at default – non-government trade and unbilled receivables	85,185,301	61,447,119	11,268,913	511,075	364,323	11,593,871
Expected credit loss	17,438,847	2,931,187	2,159,831	413,286	340,870	11,593,673
Expected credit loss rate	8.47%	2.29%	8.98%	3.28%	1.97%	90.73%
Estimated total gross carrying amount at default – trade and unbilled receivables	210,810,975	138,851,606	24,541,931	13,953,973	20,681,040	12,782,425
Expected credit loss	17,850,961	3,185,112	2,203,373	457,385	407,519	11,597,572
<i>Past due</i>						
	<i>Total AED</i>	<i>0-90 days AED</i>	<i>90-180 days AED</i>	<i>180-270 days AED</i>	<i>270-360 days AED</i>	<i>More than 360 days AED</i>
<i>At 31 December 2023</i>						
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

Apex Investment PSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2024

7 INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

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

<i>Investees</i>	<i>Classification</i>	<i>Principal activities</i>	<i>Country of incorporation</i>	<i>Equity %</i>	
				<i>31 March 2024</i>	<i>31 December 2023</i>
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%	50%
				<i>31 March 2024</i>	<i>31 December 2023</i>
				<i>AED</i>	<i>AED</i>
				<i>(Unaudited)</i>	<i>(Audited)</i>
Reem Ready Mix L.L.C				25,918,178	26,025,104
APHE Restaurants Management LLC				12,548,926	12,548,926
Sky Go Transport of Goods LLC				14,418	230,928
				<u>38,481,522</u>	<u>38,804,958</u>

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

	<i>31 March 2024</i>	<i>31 December 2023</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Opening balance	38,804,958	32,710,095
Additional investment during the period/ year	-	13,961,250
Share of loss for the period/year	<u>(323,436)</u>	<u>(7,866,387)</u>
Closing balance	<u>38,481,522</u>	<u>38,804,958</u>

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8 FINANCIAL ASSETS

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Financial assets carried at FVTPL	419,286,596	450,834,185
Financial assets carried at FVTOCI	<u>139,599,369</u>	<u>144,322,521</u>
	<u>558,885,965</u>	<u>595,156,706</u>
	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Financial assets carried at FVTPL		
<i>Quoted investments</i>		
Opening balance	450,834,185	587,147,884
Additions	-	6,767,522
Change in fair value	(31,547,589)	(132,462,765)
Gain on sale of investments carried at FVTPL	-	3,029,396
Disposals	-	<u>(13,647,852)</u>
Closing balance	<u>419,286,596</u>	<u>450,834,185</u>
	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Financial assets carried at FVTOCI		
<i>Quoted and unquoted investments</i>		
Opening balance	144,322,521	188,717,187
Change in fair value	<u>(4,723,152)</u>	<u>(44,394,666)</u>
Closing balance	<u>139,599,369</u>	<u>144,322,521</u>
Total quoted securities	138,313,093	143,036,245
Unquoted securities	<u>1,286,276</u>	<u>1,286,276</u>
	<u>139,599,369</u>	<u>144,322,521</u>

The geographical distribution of investments is as follows:

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
UAE	<u>558,885,965</u>	<u>595,156,706</u>

The investments are recorded at fair value using the valuation techniques as disclosed in note 18.

In Board Meeting held on 20 March 2024, the board of directors has approved the disposition of 154,993,493 shares presently held in Q Holding PSC to IHC Real Estate Holding LLC. In exchange, Apex Investment PSC will obtain 29,489,912 shares of equivalent value from IHC Capital Holding LLC's holdings in Alpha Dhabi Holding PJSC. This strategic asset swap reflects Apex Investment PSC's commitment to optimizing its investment portfolio for sustained value creation. This transaction was further approved by the shareholders in the Annual General Assembly held on 15 April 2024.

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9 INVENTORIES

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Raw materials	19,792,492	19,339,208
Work in progress	10,797,406	20,155,360
Finished goods	5,233,928	3,538,380
Consumable items	3,733,219	6,535,151
Spare parts – maintenance	<u>36,337,876</u>	<u>32,627,627</u>
Total	75,894,921	82,195,726
Less: allowance for slow-moving and obsolete inventories	<u>(5,975,334)</u>	<u>(5,975,334)</u>
Total	<u>69,919,587</u>	<u>76,220,392</u>

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

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Opening balance	5,975,334	4,975,334
Charge for the period/ year	<u>-</u>	<u>1,000,000</u>
Closing balance	<u>5,975,334</u>	<u>5,975,334</u>

10 CASH AND BANK BALANCES

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Cash on hand	2,014,484	1,691,476
<i>Bank balances:</i>		
Current accounts	83,142,562	301,089,793
Term deposits	10,290	10,290
Fixed deposits with an original maturity of less than three months	<u>625,000,000</u>	<u>305,000,000</u>
Cash and bank balances	710,167,336	607,791,559
Less: Term deposits	(10,290)	(10,290)
Less: bank overdrafts (note 15)	<u>(1,322,064)</u>	<u>(21,604,585)</u>
Cash and cash equivalents	<u>708,834,982</u>	<u>586,176,684</u>

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11 SHARE CAPITAL

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
<i>Authorised, issued and fully paid</i> AED 3,553,195,467 ordinary shares of AED 1 each	<u>3,553,195,467</u>	<u>3,553,195,467</u>

12 RESERVES

12.1 STATUTORY RESERVE

As required by the Decree Law No. (32) of 2021, a minimum of 10% 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.

12.2 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 2023. 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.

13 TRADE AND OTHER PAYABLES

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Trade payables	92,829,873	105,573,226
Accruals	42,625,998	50,235,069
Retention payable	6,426,876	12,853,751
Other payables	<u>10,532,756</u>	<u>11,465,545</u>
	<u>152,415,503</u>	<u>180,127,591</u>

14 RELATED PARTY BALANCES AND TRANSACTIONS

The Group enters into transactions with companies and entities that fall within the definition of a related party as defined 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.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

14 RELATED PARTY BALANCES AND TRANSACTIONS continued

14.1 Balances

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

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
<i>Amounts due from related parties:</i>		
ATGC Transport & General Contracting LLC-AR*	78,391,439	75,541,519
National Petroleum Construction Company (NPCC)	26,996,589	30,242,653
International Securities L.L.C.	20,192,504	23,880,330
Al Qudra Holding - International LLC	8,526,215	-
Moon Flower Real Estate Development LLC	7,907,488	16,240,556
Construction Workers Residential City LLC	5,624,975	6,352,582
Tamouh Healthcare LLC	5,441,100	22,817,443
Al Ataa Investment LLC	3,815,083	3,815,083
Sky Go Transport of Goods LLC	2,819,518	2,533,793
Rafed Healthcare Supplies L.L.C.	2,405,834	2,195,004
National Marine Dredging Company PJSC (NMDC)	982,029	778,999
International Holding Company PJSC (IHC) (Standalone)	616,205	623,526
Shory Insurance Brokers – Sole Proprietorship LLC	411,928	413,536
Somerian Health LLC	240,802	225,115
Istinye Tevukusu	141,062	-
Radiant Enterprises Real Estate LLC	130,411	-
Telal Resort LLC	65,195	65,673
Sanimed International Lab and Management LLC	19,696	10,718
Sirius International Holding Limited	11,649	6,306
Oxinius Holding Limited	2,835	5,715
National Health Insurance Company (Daman) PJSC – Standalone	6,840	6,840
Tamouh Healthcare Group LLC	<u>-</u>	<u>366,639</u>
Total amounts due from related parties	164,749,397	186,122,030
Less: provision for expected credit loss	<u>(13,412,531)</u>	<u>(9,699,398)</u>
	<u>151,336,866</u>	<u>176,422,632</u>

* This represents mainly short-term loans given by the Group for meeting the working capital requirements of ATGC Transports & General Contracting LLC-AR. This is an interest free loan and is repayable in single instalment on 8 October 2024.

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

	<i>Period ended 31 March 2024 AED (Unaudited)</i>	<i>Year ended 31 December 2023 AED (Audited)</i>
Opening balance	9,699,398	4,865,602
Net charge for the period / year	<u>3,713,133</u>	<u>4,833,796</u>
Closing balance	<u>13,412,531</u>	<u>9,699,398</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2024

14 RELATED PARTY BALANCES AND TRANSACTIONS continued

14.1 Balances continued

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
<i>Amounts due to related parties:</i>		
Zee Stores International LLC	7,870,007	14,336,987
Malah Investments LLC	6,973,481	6,712,519
N.R.T.C Dubai International Vegetables & Fruits Trading LLC	5,940,976	13,625,981
Royal Horizon General Trading	2,801,473	3,419,916
Al Ain farms for live stock production	2,615,606	1,342,473
Alliance Food Company LLC	1,213,514	1,461,260
Newtec Investment General Trading SP LLC	630,000	630,000
PAL Cooling Holding LLC (PCH) (Standalone)	428,750	495,703
Abu Dhabi Vegetable Oil Company LLC	<u>211,176</u>	<u>23,415</u>
	<u>28,684,983</u>	<u>42,048,254</u>

14.2 Transactions

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

	<i>Three-month period ended</i>	
	<i>31 March 2024 AED (Unaudited)</i>	<i>31 March 2023 AED (Unaudited)</i>
Sales	25,817,630	61,392,850
Cost of sales	17,707,157	15,208,859

14.3 Key management remuneration

	<i>Three-month period ended</i>	
	<i>31 March 2024 AED (Unaudited)</i>	<i>31 March 2023 AED (Unaudited)</i>
Salaries and employee benefits	2,151,091	1,804,409
Employees end of service benefits	<u>36,587</u>	<u>21,816</u>
Total	<u>2,187,678</u>	<u>1,826,225</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2024

15 SHORT TERM BORROWINGS

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Bank overdrafts (note 10)	<u>1,322,064</u>	<u>21,604,585</u>

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.

16 CONTINGENT LIABILITIES AND COMMITMENTS

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Bank guarantees	<u>69,736,738</u>	<u>64,935,000</u>

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

17 SEASONALITY OF RESULTS

No significant income of seasonal nature was recorded in the interim condensed consolidated statement of profit or loss for the three-month period ended 31 March 2024 and 31 March 2023.

18 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 March 2024

18 FAIR VALUES OF FINANCIAL INSTRUMENTS continued

The following table gives information about how the fair value of the Group's assets are determined.

<i>Financial assets</i>	<i>Fair value as at 31 March 2024 AED</i>	<i>Fair value as at 31 December 2023 AED</i>	<i>Fair value hierarchy</i>	<i>Valuation techniques</i>
Quoted equity investments – investment in financial assets	557,599,689	593,870,430	Level 1	Quoted bid prices in an active market
Un-quoted equity instruments	1,286,276	1,286,276	Level 3	Based on the net asset value method.

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.

19 EARNINGS (LOSS) PER SHARE

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

	<i>Three-month period ended</i>	
	<i>31 March 2024 AED (Unaudited)</i>	<i>31 March 2023 AED (Unaudited)</i>
Profit (loss) for the period / year (in AED)	4,270,285	(190,184,638)
Weighted average number of shares (share)	<u>3,553,195,467</u>	<u>3,553,195,467</u>
Basic earnings (loss) per share	<u>0.001</u>	<u>(0.054)</u>

Diluted earnings per share as of 31 March 2024 and 31 March 2023 are equivalent to basic earnings per share.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 March 2024

20 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 March 2024 (Unaudited)

	Catering AED	Facility management services AED	Manufacturing AED	Contracting AED	Investments AED	Others AED	Inter segment eliminations AED	Group AED
Revenue	134,127,267	25,500,614	59,439,148	5,077,382	45,000	568,113	(29,434,042)	195,323,482
Cost of sales	(108,424,758)	(18,269,489)	(52,796,337)	(3,435,520)	-	-	29,434,042	(153,492,062)
Gross profit	25,702,509	7,231,125	6,642,811	1,641,862	45,000	568,113	-	41,831,420
General and administrative expenses	(4,811,202)	(3,212,401)	(1,967,309)	(2,937,780)	(245,624)	715,094	5,450	(12,453,772)
Other income	3,051,549	898,580	(3,110)	4,353,415	202	11,515	-	8,312,151
Finance costs	(173,979)	(101,733)	(154,074)	(11,006)	(350)	(977)	-	(442,119)
Profit (loss) from operations	23,768,877	4,815,571	4,518,318	3,046,491	(200,772)	1,293,745	5,450	37,247,680
Share of loss from equity accounted investees	-	-	-	-	(323,436)	-	-	(323,436)
Net loss from financial assets carried at FVTPL	-	-	-	-	(31,547,589)	-	-	(31,547,589)
Profit (loss) before tax for the period	23,768,877	4,815,571	4,518,318	3,046,491	(32,071,797)	1,293,745	5,450	5,376,655

31 March 2024

Segment assets	1,030,160,138	230,463,205	403,407,574	368,270,446	4,156,784,962	19,624,346	(4,069,159,282)	2,139,551,389
Segment liabilities	149,453,668	47,473,660	79,739,988	184,540,439	185,879,301	179,082,484	(632,218,514)	193,951,026

31 March 2023 (Unaudited)

	Catering AED	Facility management services AED	Manufacturing AED	Contracting AED	Investments AED	Others AED	Inter segment eliminations AED	Group AED
Revenue	79,035,076	33,794,826	22,698,136	20,964,257	-	-	(8,755,138)	147,737,157
Cost of sales	(70,488,019)	(20,760,159)	(28,729,331)	(17,348,471)	-	-	8,755,138	(128,570,842)
Gross profit (loss)	8,547,057	13,034,667	(6,031,195)	3,615,786	-	-	-	19,166,315
General and administrative expenses	(7,340,311)	(5,821,485)	4,907,807	(304,739)	(406,944)	(5,276,954)	-	(14,242,626)
Other income	424,314	875,264	43,215	12,810	-	1,561	-	1,357,164
Finance costs	(110,558)	(67,405)	(232,135)	(12,909)	(993)	(1,302)	-	(425,302)
Foreign exchange loss	-	-	(30,418)	-	-	-	-	(30,418)
Profit (loss) from operations	1,520,502	8,021,041	(1,342,726)	3,310,948	(407,937)	(5,276,695)	-	5,825,133
Share of loss from equity accounted investees	-	-	-	-	(736,428)	-	-	(736,428)
Net loss from financial assets at FVTPL	-	-	-	-	(195,273,343)	-	-	(195,273,343)
Profit (loss) for the period	1,520,502	8,021,041	(1,342,726)	3,310,948	(196,417,708)	(5,276,695)	-	(190,184,638)

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