

INVICTUS INVESTMENT COMPANY PLC

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 SEPTEMBER 2022

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF INVICTUS INVESTMENT COMPANY PLC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Invictus Investment Company PLC (the “Company”) and its subsidiary (together referred to as the “Group”), which comprise the interim condensed consolidated statement of financial position as at 30 September 2022, and the interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine-month period ended 30 September 2022, and explanatory notes. Management is responsible for the preparation and fair 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 International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matters

- a) The interim condensed consolidated financial statements of the Group for the three-month and nine-month periods ended 30 September 2021 were not reviewed and our conclusion does not relate to the comparatives presented in these interim condensed consolidated financial statements which are presented for comparison purpose only.
- b) The consolidated financial statements of the Group as at 31 December 2021 were not audited and our review conclusion does not relate to the comparatives presented in these interim condensed consolidated financial statements which are presented for comparison purpose only.

Conclusion

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

For Ernst & Young



Anthony O'Sullivan
Partner

12 November 2022

Abu Dhabi, United Arab Emirates

INVICTUS INVESTMENT COMPANY PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 30 September 2022 (Unaudited)

		<i>Three-month period ended 30 September (Unaudited)</i>		<i>Nine-month period ended 30 September (Unaudited and unreviewed)</i>	
		<i>2022 AED</i>	<i>2021 AED</i>	<i>2022 AED</i>	<i>2021 AED</i>
	<i>Notes</i>				
Revenue from contracts with customers	4	1,175,393,082	426,291,133	4,410,196,229	1,958,427,212
Direct costs		(1,062,638,509)	(348,279,193)	(3,957,000,869)	(1,728,714,250)
GROSS PROFIT		112,754,573	78,011,940	453,195,360	229,712,962
Other income		-	1,836,500	-	1,836,500
Interest income		8,538	1,148,093	617,207	2,193,082
Selling, general and administrative expenses	5	(14,881,554)	(8,597,789)	(36,808,317)	(20,578,595)
Finance costs	6	(11,553,919)	(4,102,712)	(29,411,580)	(11,527,747)
PROFIT FOR THE PERIOD		86,327,638	68,296,032	387,592,670	201,636,202
Other comprehensive income for the period		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		86,327,638	68,296,032	387,592,670	201,636,202
Earnings per share for the period – basic and diluted (AED)	15	0.08	-	0.59	-

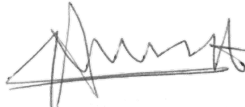
The accompanying notes 1 to 19 form an integral part of these interim condensed consolidated financial statements.

INVICTUS INVESTMENT COMPANY PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

		30 September 2022 AED (Unaudited)	31 December 2021 AED (Unaudited and unreviewed)
	Notes		
ASSETS			
Non-current assets			
Property and equipment		6,637,522	5,024,394
Current assets			
Inventories		14,581,106	3,428,996
Trade and other receivables	7	1,494,106,894	903,251,013
Due from related parties	8	3,145,547	52,451,392
Other financial assets		143,727,868	90,831,145
Bank balances and cash	9	379,138,829	16,669,130
		2,034,700,244	1,066,631,676
TOTAL ASSETS		2,041,337,766	1,071,656,070
EQUITY AND LIABILITIES			
Equity			
Share capital	10	280,000,000	-
Share premium	10	294,000,000	-
Retained earnings		387,592,670	250,000,000
Total equity		961,592,670	250,000,000
Current liabilities			
Bank borrowings	11	672,423,394	451,297,369
Trade and other payables	12	344,785,266	273,523,707
Due to related parties	8	43,474,883	5,067,838
Dividends payable	13	19,061,553	91,767,156
		1,079,745,096	821,656,070
Total liabilities		1,079,745,096	821,656,070
TOTAL EQUITY AND LIABILITIES		2,041,337,766	1,071,656,070


Osama Daoud Abdel Latif
Chairman




Amir Daoud Abdellatif Ibrahim
Managing Director

INVICTUS INVESTMENT COMPANY PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2022

	<i>Share capital AED</i>	<i>Share premium AED</i>	<i>Retained earnings AED</i>	<i>Total AED</i>
As at 1 January 2022 (Unaudited)	-	-	250,000,000	250,000,000
Acquisition of an entity under common control (note 3)	250,000,000	-	(250,000,000)	-
Issuance of share capital (Unaudited)	30,000,000	294,000,000	-	324,000,000
Total comprehensive income for the period (Unaudited)	-	-	387,592,670	387,592,670
At 30 September 2022 (Unaudited)	280,000,000	294,000,000	387,592,670	961,592,670
Acquisition of an entity under common control (note 3)	-	-	323,939,788	323,939,788
Total comprehensive income for the period (Unaudited)	-	-	201,636,202	201,636,202
At 30 September 2021 (Unaudited)	-	-	525,575,990	525,575,990

The accompanying notes 1 to 19 form an integral part of these interim condensed consolidated financial statements.

INVICTUS INVESTMENT COMPANY PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine-month period ended 30 September 2022 (Unaudited)

		Nine-month period ended 30 September	
		2022 AED (Unaudited)	2021 AED (Unaudited)
Notes			
OPERATING ACTIVITIES			
	Profit for the period	387,592,670	201,636,202
	Adjustments for:		
	Depreciation of property and equipment	49,269	59,466
	Amortisation of intangible assets	-	767
6	Finance costs	29,411,580	11,527,747
	Interest income	(617,207)	(2,193,082)
	Provision for employees' end of service benefits	1,140,122	451,704
	Reversal of employees' end of service benefits	-	(264,344)
	Provision for allowance for expected credit losses	132,346	35,846
		417,708,780	211,254,306
	Changes in working capital:		
	Inventories	(11,152,110)	11,357,739
	Trade and other receivables	(266,988,228)	(273,972,372)
	Trade and other payables	71,261,559	137,006,563
	Due from related parties	49,305,845	7,157,899
	Due to related parties	37,266,923	4,193,622
	Net cash flows generated from operating activities	297,402,769	96,997,757
INVESTING ACTIVITIES			
	Additions to property and equipment	(1,662,397)	(458,340)
	Interest income received	617,208	2,193,082
	Net cash flows (used in) / generated from investing activities	(1,045,189)	1,734,742
FINANCING ACTIVITIES			
	Receipt of trust receipts	1,392,560,705	524,234,237
	Repayment of trust receipts	(1,171,434,680)	(577,028,219)
	Margin money deposits placed	(70,101,145)	149,569
	Margin money deposits released	17,204,422	-
	Interest paid	(29,411,580)	(11,527,747)
13	Dividends paid	(72,705,603)	(3,108,060)
	Net cash flows generated from / (used in) financing activities	66,112,119	(67,280,220)
NET INCREASE IN BANK BALANCES AND CASH		362,469,699	31,452,279
	Bank balances and cash as at 1 January	16,669,130	26,592,977
BANK BALANCES AND CASH AS AT 30 SEPTEMBER	9	379,138,829	58,045,256

The accompanying notes 1 to 19 form an integral part of these interim condensed consolidated financial statements.

INVICTUS INVESTMENT COMPANY PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2022 (Unaudited)

1 ACTIVITIES

Invictus Investment Company Plc (the "Company") was incorporated on 1 March 2022 and registered under commercial license no 7055 as a public limited company by shares in Abu Dhabi, United Arab Emirates ("UAE") in accordance with the Abu Dhabi Global Market Companies (Amendment No. 1) Regulations 2020. The registered office of the Company is 3501, Al Maqam Tower, ADGM Square, Al Maryah Island, Abu Dhabi, UAE.

Upon incorporation, IHC Food Holding LLC, an entity registered in Abu Dhabi, UAE, owned 100% legal shareholding interest in the Company. Pursuant to an agreement dated 29 April 2022 between IHC Food Holding LLC and Invictus Holding Limited, an entity registered with the Dubai International Financial Centre (DIFC), Dubai, UAE, the latter transferred its legal ownership interest (100%) in Invictus Trading FZE, including its related assets and liabilities, to the Company (the "transaction"). In conjunction with this transaction, Invictus Holding Limited transferred 24.9262 % of its shareholding interest in the Company to IHC Food Holding LLC. The legal formalities in relation to the transaction were completed on 16 June 2022. Refer notes 2.4 c. and note 3 for further details of accounting for such transaction.

Post the transaction, the Company now holds 100% of the equity of Invictus Trading FZE (the "Subsidiary"), registered under trade license no 141280 as a free zone establishment with limited liability in Dubai, UAE. The Company together with the Subsidiary is referred to as the "Group".

Subsequently, the Company commenced the process of listing of its shares on the Second Market of the Abu Dhabi Securities Exchange (ADX), UAE and also issued an additional 120,000,000 shares representing 10.7143% of the Company's share capital to Al Ataa Investment LLC, an entity registered in Abu Dhabi, UAE, on 16 June 2022. The regulator approved the listing of the Company's shares in the ADX Second Market on 29 June 2022. Post listing, Al Ataa Investment LLC transferred its entire shareholding interest to various shareholders as part of the Second Market trading transaction.

As at 30 September 2022, the Shareholders of the Company are Invictus Holding Limited (holding 66.9643%) (the "Parent"), IHC Food Holding LLC (holding 22.3214%) and various other shareholders (holding 10.7143%).

The Ultimate Beneficiaries of the Parent are Abdellatif family members (the "Ultimate Beneficiaries").

The principal activity of the Group is trading of agricultural commodities, food products, non-manufactured precious metal trading and other general items.

The interim condensed consolidated financial statements have been approved by the Board of Directors on 11 November 2022.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group for the nine month ended 30 September 2022 have been prepared in accordance with International Accounting Standard ("IAS") 34: *Interim Financial Reporting*.

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 (IFRS) and should be read in conjunction with the Subsidiary's annual financial statements for the year ended 31 December 2021.

The interim condensed consolidated financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the Company's functional currency.

The interim condensed consolidated financial statements have been presented on the historical cost basis.

2.1 BASIS OF PREPARATION (continued)

The preparation of interim condensed consolidated financial statements on the basis described above requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Results for the nine-month period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

2.2 BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements of the Group comprise the financial information of the Company and its subsidiary.

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 of during the period are included in the interim condensed consolidated statement of profit or loss and other 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 subsidiary 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 subsidiary 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, the cost on initial recognition of an investment in an associate or a joint venture.

2.3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

Judgments

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 interim condensed consolidated financial statements:

Revenue from contracts with customers

The Group applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- ***Identifying performance obligation***
The Group is primarily involved in the trading of agricultural commodities, food products, non-manufactured precious metal trading and other general items. The Group has concluded that the delivery of the materials is the only single performance obligation of the Group.
- ***Determining the timing of satisfaction of performance obligation***
The Group has concluded that the revenue from delivery of materials is to be recognised at a point in time when the control of the goods is transferred to the customer, being when the goods are delivered to the customers, the customer has full discretion over the channel and the price to sell the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location or handed over to the transporter at the port of origin and bill of lading is issued, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.
- ***Consideration of significant financing component in a contract***
The Group has concluded that there is no element of financing deemed to be present in its contract with the customers as the sales are usually made on credit terms of 60-120 days, which is consistent with market practice.

Going concern

Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, Management and Shareholders are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, these interim condensed consolidated financial statements have been prepared on the going concern basis.

Impact of Covid-19

Covid-19, an infectious disease caused by a new virus, was declared a world-wide pandemic by the WHO on 11 March 2020. The measures taken by various Governments across the world to slow the spread of Covid-19 have had a significant impact on the global economy and businesses. Whilst the existing and anticipated effects of the outbreak of Covid-19 on the economies and businesses are expected to evolve in an uncertain manner, the Group's management is cautiously optimistic that the pandemic would be brought under control with the numerous vaccines being deployed, and a semblance of 'new normality' expected to arise thereafter.

Russia & Ukraine conflict

In February 2022, a number of countries (including the US, UK and EU) imposed new sanctions against certain entities (of which financial institutions) and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation.

2.3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Russia & Ukraine conflict (continued)

Additional sanctions have been made following military operations initiated by Russia on 24 February 2022 against Ukraine including the restriction of the access of already sanctioned Russian banks to the international payments system SWIFT. Such sanctions can impact not only the sanctioned entities and individuals including entities under their control but also Business Counterparties of these sanctioned entities. The results of the sanctions and the geopolitical instability have created an important volatility in the financial markets with a potential to adversely impact global economies and increase instability across markets.

The Group is monitoring the developments and will undertake appropriate steps to manage the effect, if any, this has on the Group. It is too early to quantify the overall impact to the Group with a high degree of certainty and the situation, including the possible impact of changing micro and macroeconomic conditions, will continue to be monitored.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses – trade receivables (including due from related parties for trade transactions)

As at the reporting date, the Group measures ECL's by taking into consideration the historical default rates, current market conditions and forward-looking assumptions about the economic conditions.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Impairment of inventories

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

Impairment of amounts due from related parties (non-trade in nature)

An estimate of the collectible amount of due from related parties is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

Impairment of non-financial assets

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

INVICTUS INVESTMENT COMPANY PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2022 (Unaudited)

2.4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Subsidiary's financial statements for the year ended 31 December 2021, except as follows:

a. New IFRS standards, interpretations and amendments in issue and effective

The following new IFRS standards, interpretations and amendments, which became effective as on 1 January 2022 (unless otherwise stated), have been adopted in these interim condensed consolidated financial statements:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)
- IAS 41 Agriculture – Taxation in fair value measurements
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

These above amendments had no impact on the interim condensed consolidated financial statements of the Group.

b. New and amended IFRS standards, amendments and interpretations in issue but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's interim condensed consolidated financial statements are disclosed below:

<i>New standards or amendments</i>	<i>Effective date</i>
• Classification of Liabilities as Current or Noncurrent – Amendments to IAS 1	1 January 2023
• IFRS 17 Insurance Contracts	1 January 2023
• Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
• Definition of Accounting Estimate – Amendments to IAS 8	1 January 2023
• IFRS 10 and IAS 28 - Sale or Contribution of Assets between an investor and its Associate or Joint Venture	Effective date deferred indefinitely
• Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
• Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback	1 January 2024

Management does not expect the adoption of the above new IFRS standards, amendments and interpretations to have a material impact on the consolidated financial statements of the Group in future periods.

c. Significant accounting policies

Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The Group has not issued any instruments which would have a dilutive impact on earnings per share when exercised.

INVICTUS INVESTMENT COMPANY PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2022 (Unaudited)

2.4 SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Significant accounting policies (continued)

Acquisitions of entities under common control

Acquisitions arising from transfers of interests in entities that are under the common control of a Shareholder is accounted using the pooling of interest method. Such acquisitions are reflected in the Group's consolidated financial statements from the beginning of the earliest period presented and restatement of comparatives to include the financial results of the Subsidiary. The assets and liabilities acquired are recognised at the carrying amounts on the date of acquisition and no adjustments are made to reflect the fair values. Any difference between the consideration paid for the acquisition and carrying value of assets and liabilities acquired is recognised directly in equity. No goodwill is recognised as a result of the acquisition. Refer note 3 for details.

3 TRANSFER OF NET ASSETS BETWEEN ENTITIES UNDER COMMON CONTROL

With effect from 16 June 2022, the Parent has transferred its legal ownership interest (100%) in Invictus Trading FZE (the "Subsidiary"), including its related assets and liabilities, to the Company.

This transaction has been concluded to be a "common control" transaction outside the scope of IFRS 3 – Business Combinations. Accordingly, the Company has accounted for such transfer of the legal ownership interest including its related assets and liabilities under the pooling of interest method.

Accordingly, the Group has recognised the assets and liabilities of the subsidiary (as per its audited financial statements) transferred at its carrying amounts and presented the comparatives from the beginning of the earliest period i.e. 1 January 2021.

Net assets and liabilities transferred from Invictus Trading FZE as at 1 January 2021:

	Total AED
Property and equipment	4,497,568
Intangible assets	1,917
Inventories	15,826,930
Trade and other receivables	563,942,139
Due from related parties	52,265,950
Other financial assets	98,322,845
Bank balances and cash	26,592,977
Total assets	761,450,326
Provision for employee end of service benefits	2,022,349
Bank Borrowings	258,326,665
Trade and other payables	170,900,787
Due to related parties	2,260,737
Dividends payable	4,000,000
Total liabilities	437,510,538
Net assets transferred	323,939,788

INVICTUS INVESTMENT COMPANY PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2022 (Unaudited)

3 TRANSFER OF NET ASSETS BETWEEN ENTITIES UNDER COMMON CONTROL (continued)

Net assets and liabilities transferred from Invictus Trading FZE as at 1 January 2021: (continued)

The above net assets have been reflected in the Group's consolidated financial statements as follows:

	<i>Total AED</i>
Retained earnings	323,939,788

During the nine-month period ended 30 September 2022, the above retained earnings has been utilized and converted into Share capital of AED 250,000,000.

4 REVENUE FROM CONTRACTS WITH CUSTOMERS

	<i>Three-month period ended 30 September (Unaudited)</i>		<i>Nine-month period ended 30 September (Unaudited)</i>	
	<i>2022 AED</i>	<i>2021 AED</i>	<i>2022 AED</i>	<i>2021 AED</i>
Sale of goods	1,175,393,082	426,291,133	4,410,196,229	1,958,427,212

4.1 Disaggregated revenue information

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

	<i>Three-month period ended 30 September (Unaudited)</i>		<i>Nine-month period ended 30 September (Unaudited)</i>	
	<i>2022 AED</i>	<i>2021 AED</i>	<i>2022 AED</i>	<i>2021 AED</i>
Geographical markets				
Africa	936,322,974	256,277,561	3,113,904,615	1,393,004,742
Middle East	67,212,165	86,045,354	525,866,297	263,058,710
Europe	9,576,922	20,774,013	433,682,645	57,772,003
Asia	158,770,218	63,194,205	329,865,518	244,591,757
United States of America	3,510,803	-	6,877,154	-
	1,175,393,082	426,291,133	4,410,196,229	1,958,427,212
Major category of customers				
Corporate and other customers	290,200,648	234,806,301	1,532,812,322	789,977,875
Related parties (note 8)	885,195,434	191,484,832	2,877,383,907	1,168,449,337
	1,175,396,082	426,291,133	4,410,196,229	1,958,427,212

INVICTUS INVESTMENT COMPANY PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2022 (Unaudited)

4 REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

4.1 Disaggregated revenue information (continued)

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

Major product lines

Wheat	553,586,146	131,021,335	2,034,546,335	789,367,666
Sugar	85,376,899	11,346,000	479,103,991	158,799,776
Capital equipment & Packaging materials	147,714,441	73,298,770	429,893,539	243,999,914
Gold	-	-	324,230,859	55,690,957
Milk powder	70,179,167	16,579,777	214,926,732	90,980,148
Pelleted Bran	38,579,586	61,943,954	148,177,623	121,389,560
Urea	-	-	140,047,659	-
Others (mainly Sesame, Lentils, Yeast etc.)	279,956,843	132,101,297	639,269,491	498,199,191
	1,175,396,082	426,291,133	4,410,196,229	1,958,427,212

Revenue is recognised at a point in time.

5 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Three-month period ended 30 September (Unaudited)</i>		<i>Nine-month period ended 30 September (Unaudited)</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
Staff salaries and benefits (note 8)	9,599,312	5,093,245	22,526,481	13,436,889
Sales commission	1,933,023	1,252,810	3,133,147	2,334,344
Consultancy expenses	1,548,006	472,017	2,722,135	1,331,142
Legal and professional expenses	200,336	56,094	1,060,551	285,699
Rental expenses for short term leases	424,410	-	1,174,410	-
Information technology expenses	287,403	2,444	960,951	9,889
Depreciation for property and equipment & amortisation for intangible assets	20,101	15,088	49,269	60,233
Other expenses	868,963	1,706,091	5,181,373	3,120,399
	14,881,554	8,597,789	36,808,317	20,578,595

Other expenses primarily include vehicle maintenance / support expenses, travel expenses, recruitment charges and office expenses.

6 FINANCE COSTS

	<i>Three-month period ended 30 September (Unaudited)</i>		<i>Nine-month period ended 30 September (Unaudited)</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
Interest on bank borrowings	8,945,125	3,444,419	19,860,426	9,444,672
Other finance costs	2,608,794	658,293	9,551,154	2,083,075
	11,553,919	4,102,712	29,411,580	11,527,747

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2022 (Unaudited)

7 TRADE AND OTHER RECEIVABLES

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Unaudited)
Trade receivables	1,385,903,705	741,162,619
Less: Allowance for expected credit losses (ECL)	(761,235)	(713,418)
	1,385,142,470	740,449,201
Advance to suppliers	98,343,844	156,134,878
Prepayments	3,140,864	1,385,336
VAT receivables	6,440,381	4,367,475
Deposits	603,741	590,506
Other receivables	435,594	323,617
	1,494,106,894	903,251,013

The carrying amounts of the trade and other receivables are reasonable approximation to their fair value due to their short term nature.

As at reporting date, the unimpaired trade receivables includes the following:

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Unaudited)
Corporate and other customers	69,679,257	117,288,008
Related party receivables		
Affiliates / Entities under common control of Ultimate Beneficiaries	1,315,463,213	623,161,193
	1,385,142,470	740,449,201

Trade receivables are non-interest bearing and are generally on 60 - 120 days credit terms after which trade receivables are considered to be past due. Unimpaired trade receivables are expected, on the basis of past experience, to be fully recoverable.

The ageing analysis of unimpaired trade receivables is as follows:

		<i>Neither past due nor impaired AED</i>	<i>Past due but not impaired</i>			
	<i>Total AED</i>		<i>0-90 days AED</i>	<i>91-180 days AED</i>	<i>181-360 days AED</i>	<i>>360 days AED</i>
30 September 2022 (Unaudited)	1,385,142,470	189,817,580	1,121,041,764	71,503,003	2,616,449	163,674
31 December 2021 (Unaudited)	740,449,201	264,086,790	267,994,393	159,363,586	48,211,024	793,408

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At 30 September 2022 (Unaudited)

7 TRADE AND OTHER RECEIVABLES (continued)

The movements in the allowance for expected credit losses (ECL) for trade receivables is as follows:

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Unaudited)
At 1 January	713,418	1,965,119
Allowance for expected credit losses for the period / year	47,817	274,026
Bad debts written off	-	(1,525,727)
At the end of the period / year	761,235	713,418

The Group does not hold any collateral against trade receivables.

8 RELATED PARTIES TRANSACTIONS AND BALANCES

The Group enters into transactions with entities that fall within the definition of a related party as per requirements of International Accounting Standard 24. The Group considers such transactions to be in the normal course of business and are at prices determined and approved by the management.

Related parties comprise companies under common ownership and/or common management control of the Parent, Ultimate Parent, Ultimate Beneficiaries, Shareholders and Directors.

(a) Significant transactions with related parties included in the interim condensed consolidated statements of profit or loss and other comprehensive income are as follows:

	Three-month period ended 30 September (Unaudited)		Nine-month period ended 30 September (Unaudited)	
	2022 AED	2021 AED	2022 AED	2021 AED
<i>Affiliates / Entities under common control of Ultimate Beneficiaries</i>				
Revenue (note 4)	885,195,434	191,484,832	2,877,383,907	1,168,449,337
Purchases	132,393,381	162,839,195	759,636,087	594,233,030
Staff salaries and benefits (note 5)	9,599,312	5,093,245	22,526,481	13,436,889
Interest income	-	914,012	498,090	1,959,001

(b) Balances with related parties included in the interim condensed consolidated statement of financial position other than those disclosed in note 7 and note 12 are as follows:

	30 September 2022 AED (Unaudited)		31 December 2021 AED (Unaudited)	
	Amounts due from related parties	Amounts due to related parties	Amounts due from related parties	Amounts due to related parties
<i>Parent</i>				
Invictus Holding Limited	1,476,802	39,073,330	129,642	-
<i>Affiliates / Entities under common control of the Ultimate Beneficiaries*</i>	1,668,745	4,401,553	52,321,750	5,067,838
	3,145,547	43,474,883	52,451,392	5,067,838

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2022 (Unaudited)

8 RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

(b) *Balances with related parties included in the interim condensed consolidated statement of financial position other than those disclosed in note 7 and note 12 are as follows: (continued)*

Outstanding balances at the period / year-end arise in the normal course of business, are unsecured and settlement occurs generally in cash. The related party balances carry interest as per following:

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Unaudited)
Amounts due from related parties*	5%-9%	5% - 9.5%
Amounts due to related parties	Interest free	Interest free

The Ultimate Beneficiaries have confirmed in writing to bear losses, if any, that arises on recoverability of the amounts due from related parties.

(c) *Compensation of key management personnel*

There are no employees on the payroll of the Group and all salaries and related staff costs are recharged by a related party.

(d) *Share capital*

The shareholding includes 0.3064% of shares in the Company held by the Board of Directors amounting to AED 9,264,740 comprising of 3,431,385 shares with a nominal value of AED 0.25 each issued at AED 2.70 per share (30 September 2021: Nil).

9 BANK BALANCES AND CASH

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Unaudited)
Bank balances	379,126,833	16,655,937
Cash in hand	11,996	13,193
	379,138,829	16,669,130

10 SHARE CAPITAL AND SHARE PREMIUM

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Unaudited)
<i>Share capital</i>		
<i>Authorised, issued subscribed and paid up</i>		
1,120,000,000 share of AED 0.25 each		
(2021: 1 share of AED 1,000,000 each)	280,000,000	-

INVICTUS INVESTMENT COMPANY PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2022 (Unaudited)

10 SHARE CAPITAL AND SHARE PREMIUM (continued)

Issuance of additional share capital

During the period ended 30 September 2022 (unaudited), the shareholders have issued 120,000,000 shares with a nominal value of AED 0.25 each at AED 2.70 per share.

The excess consideration over the nominal value amounting to AED 294,000,000 has been recorded as share premium.

11 BANK BORROWINGS

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Unaudited)
Trust receipts	672,423,394	451,297,369

Borrowings were obtained primarily to finance working capital requirements and carry interest at commercial rates. Such borrowings are short term in nature. As at 30 September 2022 (unaudited), the Group has pledged margin deposits of AED 143,727,868 (31 December 2021 (unaudited): AED 90,831,145) against the bank facilities availed, which are reflected as other financial assets in the interim condensed consolidated statement of financial position.

The bank facility are jointly obtained with the following related parties under the common control of the Ultimate Beneficiaries:

- Dal Group Co. Ltd, Sudan
- Sayga Flour Mill, Sudan
- Sayga Trading Co, Sudan
- The Sudanese Tractor Establishment, Sudan
- Sudanese Liquid Air Establishment Ltd, Sudan
- Sayga Investment Establishment Ltd, Sudan
- Sayga Food Industries Complex, Sudan
- DAL Engineering Establishment Ltd, Sudan
- DAL Motors Establishment Ltd, Sudan
- Dal Food Industries Establishment Ltd, Sudan
- Blue Nile Dairy Establishment, Sudan
- Dal Medical Services, Sudan
- D.A.L Agricultural Services Co Ltd, Sudan, and
- Ezentus FZE, UAE.

Trust receipts are denominated in AED, carry commercial interest rate and are secured by following:

- Irrevocable corporate guarantee from various related parties, indicated above, located in Sudan and UAE;
- Registered mortgage over property of Dal Group Company Limited located in plot no. W34, DAFZA, Dubai, UAE for the value of AED 10 million in favour of bank;
- Registered mortgage / floating charges over properties, plant and equipment located at Sudan in favour of bank with aggregate mortgage value, covering the entire facilities of the bank; and
- Assignment of insurance policy over all assets mortgaged/pledged in favour of bank.

INVICTUS INVESTMENT COMPANY PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2022 (Unaudited)

12 TRADE AND OTHER PAYABLES

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Unaudited)
Trade payables	258,752,254	120,967,180
Contract liabilities (Advance from customers)	32,440,407	108,715,375
Accruals	53,592,605	43,841,152
	344,785,266	273,523,707

As at 30 September 2022 (unaudited), trade payables includes amount due to related parties of AED 14,479,359 (31 December 2021 (unaudited): AED 15,339,537).

The entire trade and other payables are due for settlement within one year from the reporting date.

13 DIVIDENDS PAYABLE

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Unaudited)
At 1 January	91,767,156	4,000,000
Dividends declared during the period / year	-	156,001,743
Dividends paid during the period / year	(11,777,041)	(68,234,587)
Dividends offset against amounts due from a related party	(60,928,562)	-
Balance at the end of the period / year	19,061,553	91,767,156

During the period ended 30 September 2022 (unaudited), the Group has not declared any dividends (31 December 2021 (unaudited): dividends of AED 0.62 per share). During the nine-month period ended 30 September 2022, balances due from related parties amounting to AED 60,928,562 (30 September 2021 (unaudited): Nil) were adjusted against the dividend payable.

14 CONTINGENCIES AND COMMITMENTS

(a) Contingencies

	30 September 2022 AED (Unaudited)	31 December 2021 AED (Unaudited)
Cross corporate guarantee for loans obtained by related parties	235,450,624	271,088,498
Corporate guarantee	172,319,334	-
Bank guarantee	-	24,266,457
	407,769,958	295,354,955

(b) Commitments

At 30 September 2022 (unaudited), commitments towards the upgrade and overhaul of vessel is AED 1,313,544 (31 December 2021 (unaudited): AED 650,009).

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2022 (Unaudited)

15 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period.

	<i>Three-month period ended 30 September (Unaudited)</i>		<i>Nine-month period ended 30 September (Unaudited)</i>	
	<i>2022 AED</i>	<i>2021 AED</i>	<i>2022 AED</i>	<i>2021 AED</i>
Profit for the period	86,327,638	68,296,032	387,592,670	282,022,017
Weighted average number of shares	1,120,000,000	-	662,130,220	-
	0.08	-	0.59	-

The Group has not issued any instruments which would have a dilutive impact on earnings per share when exercised.

16 SEGMENTAL REPORTING

The Group operates in the single reporting segment of trading of wheat, sugar, non manufactured precious metals and other general products. All the relevant information relating to this reporting/operating segment is disclosed in the interim condensed consolidated statement of financial position, interim condensed consolidated statement of profit or loss and other comprehensive income and notes to the interim condensed consolidated financial statements. For management purposes, the Group is organised into single reportable segment, i.e. trading of agricultural commodities, food products, non-manufactured precious metal trading and other general items.

The Board of Directors is the Chief Operating Decision Maker (CODM) and monitors the operating results of the segment for the purpose of making decisions about performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the interim condensed consolidated financial statements. The entity wide disclosures as required by IFRS 8 on information about products, geographical areas and major customers is reflected in note 4 of these interim condensed consolidated financial statements.

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

Major customers

During the nine-month period ended 30 September 2022 (unaudited), there were one customer of the Group with the revenues greater than 10% of the total revenue of the Group (nine-month period ended 30 September 2021 (unaudited): One customer).

17 FAIR VALUE MEASUREMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of bank balances, trade receivable, deposits, other receivables, amounts due from related parties and other financial assets. Financial liabilities consist of bank borrowings, trade payables, accruals, amounts due to related parties and dividend payable.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The above financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

All the financial assets and financial liabilities reflected in the interim condensed consolidated statement of financial position are measured at amortised cost. At 30 September 2022 and 31 December 2021, there are no financial assets or liabilities that are measured at fair value.

18 CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the nine-month period / year ended 30 September 2022 and 31 December 2021, respectively. Equity comprises share capital, share premium and retained earnings and is measured at AED 961,592,670 (unaudited) (31 December 2021 (unaudited): AED 250,000,000).

19 SEASONALITY OF RESULTS

The nature of Group's business is such that the income and expenditure are incurred in a manner, which is not impacted by any forms of seasonality. These interim condensed consolidated financial statements were prepared based upon accrual concept, which requires income and expenses to be recorded as earned or incurred and not as received or paid throughout the period.