

**INVICTUS INVESTMENT  
COMPANY PLC**

**UNAUDITED INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT AND FOR THE THREE-MONTH PERIOD ENDED  
31 MARCH 2023**



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## **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 31 March 2023, and the interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month period ended 31 March 2023, 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.

### *Emphasis of matter:*

We draw attention to Note 24 to the interim condensed consolidated financial statements which describes the Group’s exposure on certain assets as at 31 March 2023 arising from events subsequent to the period then ended. Our opinion is not modified in respect of this matter.

### *Other Matter*

The interim condensed consolidated financial statements of the Group for the three-month period ended 31 March 2022 were not reviewed and our conclusion does not relate to those 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

7 May 2023

Abu Dhabi, United Arab Emirates

# INVICTUS INVESTMENT COMPANY PLC

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

For the three-month period ended 31 March 2023 (Unaudited)

	<i>Notes</i>	<i>Three-month period ended 31 March</i>	
		<b>2023 AED (Unaudited)</b>	<b>2022 AED (Unaudited and unreviewed)</b>
Revenue	3	<b>2,313,724,183</b>	1,766,178,711
Direct costs		<b>(2,175,943,997)</b>	(1,552,198,868)
<b>GROSS PROFIT</b>		<b>137,780,186</b>	213,979,843
Other income	4	<b>7,883,066</b>	266,898
Finance income	5	<b>8,400,984</b>	90,158
Share of profit of an associate		<b>92,697</b>	-
Selling, general and administrative expenses	6	<b>(40,965,801)</b>	(8,461,831)
Finance costs	7	<b>(20,065,306)</b>	(7,497,585)
<b>PROFIT FOR THE PERIOD</b>		<b>93,125,826</b>	198,377,483
Other comprehensive income for the period		-	-
<b>TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD</b>		<b>93,125,826</b>	198,377,483
<b>Earnings per share for the period – basic and diluted (AED)</b>	17	<b>0.08</b>	-

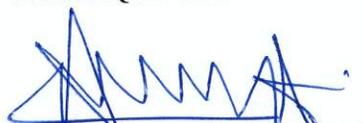
The accompanying notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

# INVICTUS INVESTMENT COMPANY PLC

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	Notes	31 March 2023 AED (Unaudited)	31 December 2022 AED (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	8	21,156,916	5,341,990
Intangible assets		1,260,706	1,281,259
Right-of-use assets		7,315,902	-
Investment in an associate		4,992,697	4,900,000
		<b>34,726,221</b>	<b>11,523,249</b>
<b>Current assets</b>			
Inventories	9	640,952,741	583,509,634
Trade and other receivables	10	1,915,453,817	1,421,588,516
Due from related parties	11	562,446	938,970
Other financial assets		39,134,924	144,394,959
Bank balances and cash	12	268,016,285	537,594,870
		<b>2,864,120,213</b>	<b>2,688,026,949</b>
<b>TOTAL ASSETS</b>		<b>2,898,846,434</b>	<b>2,699,550,198</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	13	280,000,000	280,000,000
Share premium	13	294,000,000	294,000,000
Retained earnings		547,712,544	454,586,718
<b>Total equity</b>		<b>1,121,712,544</b>	<b>1,028,586,718</b>
<b>Non-current liabilities</b>			
Bank borrowings	14	182,826,000	-
Lease liabilities		6,891,416	-
Provision for employee end of service benefits		31,200	-
		<b>189,748,616</b>	<b>-</b>
<b>Current liabilities</b>			
Bank borrowings	14	873,938,457	734,484,852
Trade and other payables	15	693,165,518	895,548,915
Due to related parties	11	19,809,768	21,868,160
Lease liabilities		471,531	-
Dividends payable	16	-	19,061,553
		<b>1,587,385,274</b>	<b>1,670,963,480</b>
<b>Total liabilities</b>		<b>1,777,133,890</b>	<b>1,670,963,480</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,898,846,434</b>	<b>2,699,550,198</b>

  
Osama Daoud Abdel Latif  
Chairman



  
Amir Daowd Abdellatif Ibrahim  
Managing Director

The accompanying notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

# INVICTUS INVESTMENT COMPANY PLC

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2023 (Unaudited)

	<i>Share capital AED</i>	<i>Share premium AED</i>	<i>Retained earnings AED</i>	<i>Total AED</i>
As at 1 January 2023	280,000,000	294,000,000	454,586,718	1,028,586,718
Total comprehensive income for the period (Unaudited)	-	-	93,125,826	93,125,826
<b>At 31 March 2023 (Unaudited)</b>	<b>280,000,000</b>	<b>294,000,000</b>	<b>547,712,544</b>	<b>1,121,712,544</b>

	<i>Share capital AED</i>	<i>Share premium AED</i>	<i>Retained earnings AED</i>	<i>Total AED</i>
As at 1 January 2022*	-	-	250,000,000	250,000,000
Total comprehensive income for the period*	-	-	198,377,483	198,377,483
At 31 March 2022*	-	-	448,377,483	448,377,483

\* Unaudited and unreviewed

# INVICTUS INVESTMENT COMPANY PLC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period 31 March 2023 (Unaudited)

		<i>Three-month period ended 31 March</i>	
		2023	2022
		AED	AED
<i>Notes</i>		<i>(Unaudited)</i>	<i>(Unaudited and unreviewed)</i>
<b>OPERATING ACTIVITIES</b>			
Profit for the period		<b>93,125,826</b>	198,377,483
Adjustments for:			
	Depreciation of property and equipment	<b>169,432</b>	14,880
	Finance costs	<b>20,065,306</b>	7,497,585
7			
	Interest income	<b>(8,400,984)</b>	(90,158)
5			
	Provision for allowance for expected credit losses	<b>4,679,759</b>	94,966
6			
	Gain on derivative instruments carried at fair value through profit or loss	<b>(6,714,750)</b>	-
4			
	Provision for inventories	<b>12,905,483</b>	-
9			
	Credit balances no longer required written back	<b>(1,168,316)</b>	-
4			
	Depreciation on right-of-use assets	<b>48,383</b>	-
	Amortisation of intangible assets	<b>102,503</b>	-
	Provision for employees' end of service benefits	<b>31,200</b>	-
	Share of profit of an associate	<b>(92,697)</b>	-
		<b>114,751,145</b>	205,894,756
Changes in working capital:			
	Inventories	<b>(70,348,590)</b>	(7,177,776)
	Trade and other receivables	<b>(484,749,244)</b>	(258,517,525)
	Trade and other payables	<b>(208,249,632)</b>	167,561,282
	Due from related parties	<b>376,524</b>	(28,355,110)
	Due to related parties	<b>(2,058,392)</b>	1,270,997
Net cash flows (used in) / generated from operating activities		<b>(650,278,189)</b>	80,676,624
<b>INVESTING ACTIVITIES</b>			
	Additions to property and equipment	<b>(15,984,358)</b>	(650,009)
8			
	Additions to intangible assets	<b>(81,950)</b>	-
	Interest income received	<b>1,321,255</b>	-
Net cash flows used in investing activities		<b>(14,745,053)</b>	(650,009)
<b>FINANCING ACTIVITIES</b>			
	Availment of bank borrowings	<b>741,244,109</b>	422,765,734
	Repayment of bank borrowings	<b>(418,964,504)</b>	(275,224,680)
	Payment of lease liabilities	<b>(82,782)</b>	-
	Margin money deposits placed	<b>(24,424,674)</b>	(37,860,180)
	Margin money deposits released	<b>129,684,709</b>	10,204,084
	Interest paid	<b>(12,950,648)</b>	(3,881,130)
	Dividends paid	<b>(19,061,553)</b>	(5,609,499)
16(a)			
Net cash flows from financing activities		<b>395,444,657</b>	110,394,329
<b>NET (DECREASE)/INCREASE IN BANK BALANCES AND CASH</b>		<b>(269,578,585)</b>	190,420,944
Bank balances and cash, at 1 January		<b>537,594,870</b>	16,669,130
<b>BANK BALANCES AND CASH AS AT 31 MARCH</b>		<b>268,016,285</b>	207,090,074

The accompanying notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

# INVICTUS INVESTMENT COMPANY PLC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three-month period 31 March 2023 (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 and contemporaneous with the transaction, Invictus Holding Limited (75.0738%) and IHC Food Holding LLC (24.9262 %) became the legal shareholders of the Company. The legal formalities in relation to the transaction were completed on 16 June 2022.

Post the transaction, the Company now holds 100% of the equity of Invictus Trading FZE (the "Subsidiary"), an entity 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 Secondary 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.

On 25 October 2022, the Company incorporated Invictus Logistics Holding Company Limited (as a wholly owned subsidiary) which is registered under trade license no 8501 as a private company limited under the Abu Dhabi Global Market Companies (Amendment No. 1) Regulations 2020 in Abu Dhabi, UAE. There commercial operations of Invictus Logistics Holding Company Limited started in February 2023.

The Company together with the subsidiaries is referred to as the "Group".

On 1 December 2022, IHC Food Holding LLC sold its shareholding of 22.32% to Green Parks Investments, an entity registered in Abu Dhabi, UAE.

On 22 December 2022, the Company registered in Turkey with a tax identification number 4651428132 to comply with a Turkish law enacted about the tax identification number of non-Turkish individuals (including non-Turkish legal entities) and it is used as an identification number of the non-Turkish individual or non-Turkish legal entity. The potential tax ID registration does not constitute establishment of a legal presence in Turkey. This registration was undertaken to facilitate movement of goods imported into Turkey to a bonded warehouse.

As at 31 March 2023, the Shareholders of the Company are Invictus Holding Limited (holding 66.9643%) (the "Parent"), Green Park Investments (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 activities of the Group are trading of agricultural commodities, food products, non-manufactured precious metal trading and other general items and providing sea cargo services and sea shipping line agents services.

The interim condensed consolidated financial statements have been approved by the Board of Directors on 6 May 2023.

### 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group for the three-month ended 31 March 2023 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 Group's annual consolidated financial statements for the year ended 31 December 2022.

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

# INVICTUS INVESTMENT COMPANY PLC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three-month period 31 March 2023 (Unaudited)

### 2.1 BASIS OF PREPARATION (continued)

The interim condensed consolidated financial statements have been presented on the historical cost basis except for derivative financial instruments which are measured at fair value.

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 three-month period ended 31 March 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

### 2.2 BASIS OF CONSOLIDATION

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

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

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

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

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. 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.

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

### 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 and providing sea cargo services and sea shipping line agents services. The Group has concluded that the delivery of the materials is the performance obligation of the Group.
- *Determining the timing of satisfaction of performance obligation*  
The Group has concluded that the revenue from delivery of goods 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.

#### ***Determination of the lease term for lease contracts with renewal and termination options (Group as a lessee)***

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

#### ***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.

**2.3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)****Judgments (continued)***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.

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.

There is no significant impact on the operations of the Group due to the conflict. However, the Group is monitoring the developments and will undertake appropriate steps to manage the effect, if any, this has on the Group.

**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.

*Useful lives of the property and equipment and intangible assets*

Management periodically reviews the estimated useful lives and the depreciation/amortisation method to ensure that the method and period of depreciation/amortisation are consistent with the expected pattern of economic benefits from the assets.

## 2.3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

### Key sources of estimation uncertainty (continued)

#### *Taxation*

The Group undertakes trade transactions with customers across different geographies in various tax jurisdictions and judgement is required in determining whether there are any tax exposures. Uncertainties exist with respect to the interpretation of complex tax regulations, tax residency status, changes in tax laws, and the amount and timing of future taxable income. The Group has assessed that it does not have a permanent establishment in the countries where the events have taken place. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the/ actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

#### *Leases - Estimating the incremental borrowing rate*

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

## 2.4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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 consolidated financial statements for the year ended 31 December 2022, 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 2023 (unless otherwise stated), have been adopted in these interim condensed consolidated financial statements:

- IFRS 17 Insurance Contracts
- Definition of Accounting Estimate – Amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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, as at 31 March 2023 are disclosed below:

<i>New standards or amendments</i>	<i>Effective date</i>
• Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback	1 January 2024
• Classification of Liabilities as Current or Noncurrent – Amendments to IAS 1	1 January 2024
• IFRS 10 and IAS 28 - Sale or Contribution of Assets between an investor and its Associate or Joint Venture	Effective date deferred indefinitely

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.

## 2.4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

### c. Significant accounting policies

#### Leases - Group as a lessee

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

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

#### *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Subsequent to initial recognition, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis as follows:

- Land 30 years

The right-of-use assets are also subject to impairment considerations like other non-financial assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

#### *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate, as applicable, at the lease commencement date since the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

#### *Short-term leases and low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered of low value. Payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

# INVICTUS INVESTMENT COMPANY PLC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three-month period 31 March 2023 (Unaudited)

### 3 REVENUE

	<i>Three-month period ended 31 March</i>	
	<i>2023 AED (Unaudited)</i>	<i>2022 AED (Unaudited and unreviewed)</i>
<i>Type of goods or service and timing of revenue recognition</i>		
Sale of goods - at a point in time	2,307,338,884	1,766,178,711
Freight services - over time	6,385,299	-
	<b>2,313,724,183</b>	<b>1,766,178,711</b>

#### 3.1 Disaggregated revenue information

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

	<i>Three-month period ended 31 March</i>	
	<i>2023 AED (Unaudited)</i>	<i>2022 AED (Unaudited and unreviewed)</i>
<b>Geographical markets</b>		
Africa	1,712,800,060	1,077,234,120
Middle East	489,600,041	335,873,877
Asia	101,608,489	63,792,986
Europe	7,789,276	289,277,728
USA	1,926,317	-
	<b>2,313,724,183</b>	<b>1,766,178,711</b>
<b>Major category of customers</b>		
Corporate and other customers	1,224,967,029	756,692,766
Related parties (note 11)	1,088,757,154	1,009,485,945
	<b>2,313,724,183</b>	<b>1,766,178,711</b>
<b>Major product lines</b>		
Wheat	1,139,407,154	928,428,973
Soya bean	337,331,287	-
Sugar	280,588,904	207,885,892
Capital equipment and spare parts	98,590,068	66,147,608
Pelleted Bran	55,261,488	72,492,144
Urea	45,667,408	-
Ground nut oil, cake and kernels	47,706,175	8,501,148
Sesame	40,747,195	32,277,623
Packaging materials	35,170,968	49,135,041
Barley	34,592,722	-
Milk powder	29,246,530	41,335,016
Gold	-	258,682,275
Others (mainly Lentils, Yeast, Cotton etc)	163,028,985	101,292,991
	<b>2,307,338,884</b>	<b>1,766,178,711</b>
<b>Services</b>		
Freight services	6,385,299	-

# INVICTUS INVESTMENT COMPANY PLC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three-month period 31 March 2023 (Unaudited)

### 4 OTHER INCOME

	<i>Three-month period ended 31 March</i>	
	<i>2023</i>	<i>2022</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Unaudited and unreviewed)</i>
Gain on derivative instruments at fair value	<b>6,714,750</b>	-
Credit balances no longer required written back	<b>1,168,316</b>	-
Foreign exchange gain, net	-	266,898
	<b>7,883,066</b>	266,898

### 5 FINANCE INCOME

	<i>Three-month period ended 31 March</i>	
	<i>2023</i>	<i>2022</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Unaudited and unreviewed)</i>
Interest from customers	<b>6,157,932</b>	-
Interest on short term deposits	<b>2,243,052</b>	90,158
	<b>8,400,984</b>	90,158

### 6 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Three-month period ended 31 March</i>	
	<i>2023</i>	<i>2022</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Unaudited and unreviewed)</i>
Sales commission	<b>13,348,162</b>	371,519
Staff salaries and benefits	<b>10,496,396</b>	6,123,453
Consultancy expenses	<b>5,141,792</b>	495,520
Allowance for expected credit losses	<b>4,679,759</b>	94,966
Foreign exchange loss, net	<b>3,458,886</b>	-
Recruitment charges	<b>421,200</b>	11,466
Rental expenses for short term and low value leases	<b>300,612</b>	375,000
Information technology expenses	<b>206,195</b>	243,178
Depreciation for property and equipment	<b>169,432</b>	14,880
Amortisation of intangible assets	<b>102,503</b>	-
Depreciation on right-of-use assets	<b>48,383</b>	-
Other expenses	<b>2,592,481</b>	731,849
	<b>40,965,801</b>	8,461,831

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

# INVICTUS INVESTMENT COMPANY PLC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three-month period 31 March 2023 (Unaudited)

### 7 FINANCE COSTS

	<i>Three-month period ended 31 March</i>	
	<i>2023 AED (Unaudited)</i>	<i>2022 AED (Unaudited and unreviewed)</i>
Interest on bank borrowings	16,520,335	4,991,973
Interest on lease liabilities	81,444	-
Other finance costs	3,463,527	2,505,612
	<u>20,065,306</u>	<u>7,497,585</u>

### 8 PROPERTY AND EQUIPMENT

During the three-month period ended 31 March 2023, the Group acquired assets with a cost of AED 15,984,358 (31 March: AED 650,009) (unaudited and unreviewed) which included additions for building of AED 14,159,738. The building is pledged as security against bank borrowings (note 14).

There are no disposals during the period ended 31 March 2023 and 31 March 2022 (unaudited and unreviewed).

Commitments towards the vessel are disclosed in note 19.

### 9 INVENTORIES

	<i>31 March 2023 AED (Unaudited)</i>	<i>31 December 2022 AED (Audited)</i>
	Goods held for sale	205,993,570
Goods in transit	434,959,171	482,785,026
<b>Lower of cost or net realisable value</b>	<u>640,952,741</u>	<u>583,509,634</u>

During the three-month ended 31 March 2023, the Group has provided provision of AED 12,905,483 (unaudited) (31 December 2022 (audited): Nil) for inventories.

Inventories amounting to AED 115,189,100 (31 December 2022: Nil) are pledged as security against bank borrowings (note 14).

At 31 March 2023, inventories, including those in transit, amounting to AED 327,265,771 (unaudited) (31 December 2022: (audited): AED 315,826,233) are held at, and in transit, to Sudan.

# INVICTUS INVESTMENT COMPANY PLC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three-month period 31 March 2023 (Unaudited)

### 10 TRADE AND OTHER RECEIVABLES

	<b>31 March 2023 AED (Unaudited)</b>	<b>31 December 2022 AED (Audited)</b>
Trade receivables	<b>1,823,377,483</b>	1,302,231,703
Less: allowance for expected credit losses	<b>(5,497,876)</b>	(816,493)
	<b>1,817,879,607</b>	1,301,415,210
Advance to suppliers	<b>77,536,884</b>	110,450,796
Prepayments	<b>3,017,560</b>	408,042
VAT receivables	<b>8,338,684</b>	6,901,880
Deposits	<b>812,246</b>	601,705
Other receivables	<b>7,868,836</b>	1,810,883
	<b>1,915,453,817</b>	1,421,588,516

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:

	<b>31 March 2023 AED (Unaudited)</b>	<b>31 December 2022 AED (Audited)</b>
Corporate and other customers	<b>320,798,629</b>	269,860,260
Related party receivables		
Affiliates / Entities under common control of Ultimate Beneficiaries	<b>1,497,080,978</b>	1,031,554,950
	<b>1,817,879,607</b>	1,301,415,210

At 31 March 2023, trade receivables amounting to AED 1,527,512,000 (unaudited) (31 December 2022: (audited): AED 1,024,644,131) pertain to customers based in Sudan.

Trade receivables are predominantly non-interest bearing unless otherwise agreed with the customers and are generally on 60 - 120 days credit terms. 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>Total AED</i>	<i>Neither past due nor impaired AED</i>	<i>Past due but not impaired</i>			
			<i>0-90 days AED</i>	<i>91-180 days AED</i>	<i>181-360 days AED</i>	<i>&gt;360 days AED</i>
<b>31 March 2023 (Unaudited)</b>	<b>1,817,879,607</b>	<b>1,469,206,383</b>	<b>171,444,550</b>	<b>175,751,239</b>	<b>1,268,148</b>	<b>209,287</b>
31 December 2022 (audited)	1,301,415,210	567,476,950	679,385,036	54,093,711	119,327	340,186

# INVICTUS INVESTMENT COMPANY PLC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three-month period 31 March 2023 (Unaudited)

### 10 TRADE AND OTHER RECEIVABLES (continued)

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

	<b>31 March 2023 AED (Unaudited)</b>	<b>31 December 2022 AED (Audited)</b>
At 1 January	<b>816,493</b>	713,418
Allowance for expected credit losses for the period/year	<b>4,681,383</b>	103,075
At the end of the period/year	<b>5,497,876</b>	816,493

The Group does not hold any collateral against trade receivables.

### 11 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 represent the Parent, associate, major shareholders, directors, key management personnel and entities controlled, jointly controlled or significantly influenced by such parties.

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

	<b>Three-month period ended 31 March</b>	
	<b>2023 AED (Unaudited)</b>	<b>2022 AED (Unaudited and unreviewed)</b>
<i>Affiliates / Entities under common control of Ultimate Beneficiaries</i>		
Revenue (note 3)	<b>1,088,757,154</b>	1,009,485,945
Purchases	<b>119,463,829</b>	297,335,918
Freight and shipping costs	<b>107,205,830</b>	69,170,243
Recharge of staff salaries and benefits	<b>9,239,616</b>	6,123,453

During the three-month period ended 31 March 2023, property and equipment of AED 15,300,000 (unaudited) were purchased from a related party. (for the three-month period ended 31 March 2022: Nil) (unaudited and unreviewed)).

# INVICTUS INVESTMENT COMPANY PLC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three-month period 31 March 2023 (Unaudited)

### 11 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 10 and note 15 are as follows:

	31 March 2023 AED (Unaudited)		31 December 2022 AED (Audited)	
	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	-	1,091	-	15,780,896
<i>Affiliates / Entities under common control of the Ultimate Beneficiaries*</i>				
Dal Group Co. Ltd	-	19,720,556	-	6,032,628
Other related parties	562,446	88,121	938,970	54,636
	<u>562,446</u>	<u>19,809,768</u>	<u>938,970</u>	<u>21,868,160</u>

Outstanding balances at the period / year-end arise in the normal course of business, are unsecured and settlement occurs generally in cash. The balances are predominantly non-interest bearing unless otherwise agreed with the related parties.

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

Certain investments are held by the Group for the beneficial interest of the Ultimate Beneficiaries.

(c) *Compensation of key management personnel*

Staff salaries and benefits (note 11(a)) recharged by a related party include AED 2,701,572 (unaudited) ((for the three-month period ended 31 March 2022: AED 2,661,016) (unaudited and unreviewed)) for the compensation of key managerial personnel of the Group.

(d) *Share capital*

The shareholding includes 0.36% of shares in the Company held by the Board of Directors amounting to AED 10,885,050 comprising of 4,031,500 shares with a nominal value of AED 0.25 each issued at AED 2.70 per share (31 December 2022 (audited): 0.3064%, comprising of 3,431,385 shares amounting to AED 9,264,740).

### 12 BANK BALANCES AND CASH

	31 March 2023 AED (Unaudited)	31 December 2022 AED (Audited)
Short-term deposits	223,000,000	323,000,000
Bank balances	45,013,780	214,585,728
Cash in hand	2,505	9,142
	<u>268,016,285</u>	<u>537,594,870</u>

# INVICTUS INVESTMENT COMPANY PLC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three-month period 31 March 2023 (Unaudited)

### 13 SHARE CAPITAL AND SHARE PREMIUM

	<i>31 March 2023 AED (Unaudited)</i>	<i>31 December 2022 AED (Audited)</i>
<i>Share capital</i>		
<i>Authorised, issued, subscribed and fully paid up</i>		
1,120,000,000 share of AED 0.25 each	<b>280,000,000</b>	280,000,000

#### *Conversion to share capital*

During the year ended 31 December 2022, the shareholders had resolved to convert AED 250,000,000 of retained earnings into 1,000,000,000 shares with a nominal value of AED 0.25.

#### *Issuance of additional share capital*

During the year ended 31 December 2022, the shareholders had 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 is recorded as share premium.

### 14 BANK BORROWINGS

	<i>31 March 2023 AED (Unaudited)</i>	<i>31 December 2022 AED (Audited)</i>
Trust receipts (i)	<b>768,971,820</b>	734,484,852
Term loan I (ii)	<b>104,966,637</b>	-
Term loan II (iii)	<b>182,826,000</b>	-
	<b>1,056,764,457</b>	734,484,852
Non-current portion	<b>182,826,000</b>	-
Current portion	<b>873,938,457</b>	734,484,852
	<b>1,056,764,457</b>	734,484,852

(i) Trust receipts were obtained primarily to finance working capital requirements and carry interest at commercial rates. Such borrowings are short term in nature. As at 31 March 2023 (unaudited), the Group has pledged margin deposits of AED 11,388,470 (31 December 2022 (audited): AED 144,394,959) against the bank facilities availed, which are reflected as other financial assets in the interim condensed consolidated statement of financial position.

The above 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.

# INVICTUS INVESTMENT COMPANY PLC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three-month period 31 March 2023 (Unaudited)

### 14 BANK BORROWINGS (continued)

(ii) Term loan I was obtained primarily towards working capital requirements from a commercial bank in UAE. The loan is denominated in USD and carries interest at commercial rates. Such borrowings are short term in nature.

(iii) Term loan II was obtained primarily towards working capital requirements. The loan is denominated in USD and carries interest at commercial rates. The loan is repayable on the 3<sup>rd</sup> anniversary of the avilment of the loan and is repayable in four tranches and accordingly classified as non-current in nature.

The above borrowings are secured by following:

- Irrevocable corporate guarantee from various related parties, indicated above, located in Sudan and UAE;
- Registered mortgage over property of located in plot no. W34, DAFZA, Dubai, UAE (note 8);
- Registered mortgage / floating charges over property and equipment located in Sudan in favour of bank with aggregate mortgage value, covering the entire facilities of the bank;
- Assignment of insurance policy over all assets mortgaged/pledged in favour of bank; and
- Bill of lading endorsed in favour of the bank and inventories pledged in favour of bank (note 9).

### 15 TRADE AND OTHER PAYABLES

	<i>31 March 2023 AED (Unaudited)</i>	<i>31 December 2022 AED (Audited)</i>
Trade payables	<b>576,283,806</b>	796,147,214
Accruals	<b>96,402,379</b>	67,126,141
Contract liabilities (Advance from customers)	<b>15,579,333</b>	27,375,560
Other payable	<b>4,900,000</b>	4,900,000
	<b><u>693,165,518</u></b>	<b><u>895,548,915</u></b>

As at 31 March 2023, trade payables includes amount due to related parties of AED 25,802,227 (unaudited) (31 December 2022 (audited): AED 16,695,339).

Trade and other payables are generally due for settlement within one year from the reporting date.

### 16(a) DIVIDEND PAYABLE

	<i>31 March 2023 AED (Unaudited)</i>	<i>31 December 2022 AED (Audited)</i>
At 1 January	<b>19,061,553</b>	91,767,156
Dividends paid during the period / year	<b>(19,061,553)</b>	(11,777,041)
Dividends offset against amounts due from a related party	-	(60,928,562)
Balance at the end of the period / year	<b><u>-</u></b>	<b><u>19,061,553</u></b>

At 31 December 2022, the outstanding dividend payable pertained to the erstwhile shareholders of Invictus Trading FZE (the "Subsidiary"). This was paid during the period ended 31 March 2023.

# INVICTUS INVESTMENT COMPANY PLC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three-month period 31 March 2023 (Unaudited)

### 16(b) DIVIDEND DECLARED

On 3 March 2023, the Board of Directors declared a dividend payout of 38.496505% of reported net profit for the year ended 31 December 2022, equivalent of AED 175,000,000.

The dividend was approved in the Annual General meeting held on 7 April 2023.

### 17 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 31 March</i>	
	<i>2023 AED (Unaudited)</i>	<i>2022 AED (Unaudited and unreviewed)</i>
Profit for the period	<b>93,125,826</b>	198,377,483
Weighted average number of shares	<b>1,120,000,000</b>	-
	<b>0.08</b>	-

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

### 18 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 3 of these interim condensed consolidated financial statements.

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

#### *Major customers*

During the three-month period ended 31 March 2023 (unaudited) and 31 March 2022 (unaudited and unreviewed), there was one customer of the Group with the revenues greater than 10% of the total revenue of the Group.

# INVICTUS INVESTMENT COMPANY PLC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three-month period 31 March 2023 (Unaudited)

### 19 CONTINGENCIES AND COMMITMENTS

#### (a) Contingencies

	<b>31 March 2023 AED (Unaudited)</b>	<b>31 December 2022 AED (Audited)</b>
Cross corporate guarantee for loans obtained by related parties	<b>222,299,816</b>	241,100,365
Corporate guarantee	<b>50,285,198</b>	136,656,986
Bank guarantee	<b>65,000,000</b>	65,000,000
	<b><u>337,585,014</u></b>	<u>442,757,351</u>

#### (b) Commitments

	<b>31 March 2023 AED (Unaudited)</b>	<b>31 December 2022 AED (Audited)</b>
Upgrade and overhaul of vessel	<b>1,276,761</b>	1,275,348
Purchase of vessels/ships	<b>66,150,000</b>	66,150,000
Share of associate's commitment	<b>22,650,907</b>	18,007,500
	<b><u>90,077,668</u></b>	<u>85,432,848</u>

### 20 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.

### 21 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 shareholders' 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 three-month period / year ended 31 March 2023 and 31 December 2022, respectively. Equity comprises share capital, share premium and retained earnings and is measured at AED 1,121,712,544 (unaudited) (31 December 2022 (audited): AED 1,028,586,718).

## 22 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.

## 23 CORPORATE INCOME TAX

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

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 – Income Taxes. A rate of 9% will apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of free zone entities.

The Group will be subject to taxation commencing 1 January 2024. Based on the above, the Group assessed the deferred tax implication and concluded it is not significant as of and for the three-month period ended 31 March 2023. As certain other cabinet decisions are pending as on the date of these interim consolidated financial statements, the Group will continue to assess the impact of these pending cabinet decisions on deferred taxes as and when finalized and published.

## 24 SUBSEQUENT EVENTS

Some of the customers of the Group are based in Sudan. Given the political situation, recently it has led to conflict between the army and a militia in the capital city of Khartoum only. The Group's management is actively monitoring the developing situation in Sudan. The Group's balance sheet exposure to Sudan as at the reporting date is disclosed in Notes 9 and 10 to the interim condensed consolidated financial statements.

Given the Group's customers in Sudan are mainly involved in the food processing and distribution sectors, and play a key role in meeting the country's food security needs, they have remained largely unaffected by these developments albeit there is a slow-down, mainly relating to the Group's customers accessing banking channels. The Group is in constant dialogue with them to fulfil their trade commitments, including monitoring the collections against goods already supplied.

Further, the Group's management has undertaken a lot of comprehensive measures including but not limited to having ongoing discussions with financial institutions for continued support to access banking facility and with few suppliers for extended credit terms.

With the recent ceasefire agreement and as the situation continues to evolve, any assessment of the precise impact is still early to measure. Nevertheless, we confirm that the majority shareholder remains fully committed and has confirmed its willingness to extended necessary support, including financial assistance, to the Group.