

ALMUNAJEM FOODS COMPANY
(formerly known as ALMUNAJEM COLD
STORES COMPANY)
(SAUDI CLOSED JOINT STOCK COMPANY)

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS
ENDED 30 SEPTMEBR 2021 AND INDEPENDENT AUDITOR'S
REVIEW REPORT
(UNAUDITED)

ALMUNAJEM FOODS COMPANY (formerly known as ALMUNAJEM COLD
STORES COMPANY)
(SAUDI CLOSED JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2021

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ALMUNAJEM FOODS COMPANY (formerly known as ALMUNAJEM COLD STORES COMPANY)
(SAUDI CLOSED JOINT STOCK COMPANY)**

Introduction:

We have reviewed the accompanying interim condensed statement of financial position of Almunajem Foods Company (formerly known as Almunajem Cold Stores Company) (the "Company") as at 30 September 2021, and the related interim condensed statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2021, and the related interim condensed statements of changes in equity and cash flows for the nine-month period ended 30 September 2021, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed 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" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements consists of making inquiries, primarily to 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 that are endorsed in the Kingdom of Saudi Arabia 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.

Conclusion:

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

for Ernst & Young


Fahad M. Al-Toaimi
Certified Public Accountant
License No. (354)

Riyadh: 4 Rabi' al Thani 1443H
(9 November 2021)



ALMUNAJEM FOODS COMPANY (formerly known as ALMUNAJEM COLD
STORES COMPANY)
(SAUDI CLOSED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

		30 September 2021 (Unaudited) SR	31 December 2020 (Audited) SR
	Note		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	285,800,213	281,033,658
Intangible assets		3,305,042	4,265,572
Right-of-use assets		47,768,606	46,945,925
TOTAL NON-CURRENT ASSETS		336,873,861	332,245,155
CURRENT ASSETS			
Inventories	7	421,203,486	419,992,579
Trade receivables, prepayments, and others	8	248,493,486	216,177,674
Due from related parties	11	111,025,307	81,527,168
Bank balances and cash	9	30,121,267	19,906,229
TOTAL CURRENT ASSETS		810,843,546	737,603,650
TOTAL ASSETS		1,147,717,407	1,069,848,805
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	600,000,000	150,000,000
Proposed increase in share capital	10	-	450,000,000
Statutory reserve	10	22,967,876	22,967,876
Actuarial valuation reserve		(3,739,413)	(3,739,413)
Retained earnings		141,336,540	21,222,480
TOTAL EQUITY		760,565,003	640,450,943
NON-CURRENT LIABILITIES			
Lease liabilities – non-current portion		41,896,950	41,936,474
Employees' defined benefit liabilities		44,144,802	39,668,205
TOTAL NON-CURRENT LIABILITIES		86,041,752	81,604,679
CURRENT LIABILITIES			
Trade payables, accruals, and others	12	176,621,310	181,048,705
Due to related parties	11	202,793	187,314
Refund liabilities		1,225,416	1,150,025
Lease liabilities – current-portion		7,393,448	6,924,936
Short-term borrowings	13	70,000,000	128,000,000
VAT payable		28,979,264	25,196,294
Zakat payable	14	16,688,421	5,285,909
TOTAL CURRENT LIABILITIES		301,110,652	347,793,183
TOTAL LIABILITIES		387,152,404	429,397,862
TOTAL EQUITY AND LIABILITIES		1,147,717,407	1,069,848,805

The accompanying notes 1 to 23 form an integral part of these interim condensed financial statements.

ALMUNAJEM FOODS COMPANY (formerly known as ALMUNAJEM COLD
STORES COMPANY)
(SAUDI CLOSED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

For the three-month and nine-month periods ended 30 September 2021

		<i>For the three-month period ended</i>		<i>For the nine-month period ended</i>	
		Three-month period ended 30 September 2021	Three-month period ended 30 September 2020	Nine-month period ended 30 September 2021	Nine-month period ended 30 September 2020
		<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	Note	SR	SR	SR	SR
Revenue	15	654,988,049	626,377,540	1,897,525,865	1,916,360,595
Cost of revenue		(535,393,039)	(504,112,457)	(1,571,488,858)	(1,529,094,730)
Gross profit		119,595,010	122,265,083	326,037,007	387,265,865
Selling and marketing expenses		(56,629,579)	(55,013,393)	(174,541,939)	(166,598,631)
General and administrative expenses		(4,987,295)	(4,612,388)	(15,195,555)	(15,464,152)
Depreciation of right-of-use assets		(2,034,326)	(1,964,614)	(5,961,189)	(5,281,823)
Operating profit		55,943,810	60,674,688	130,338,324	199,921,259
Other income		1,554,468	11,320,355	3,636,502	13,098,691
Finance costs	16	(863,686)	(1,433,117)	(2,458,254)	(3,750,861)
Profit before zakat		56,634,592	70,561,926	131,516,572	209,269,089
Zakat	14	(3,975,765)	(3,762,469)	(11,402,512)	(7,379,906)
Net profit for the period		52,658,827	66,799,457	120,114,060	201,889,183
Other comprehensive loss					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Remeasurement of employee defined benefit liabilities		-	(2,422,173)	-	(2,422,173)
Total comprehensive income for the period		52,658,827	64,377,284	120,114,060	199,467,010
Basic and diluted earnings per share:					
Basic and diluted earnings per share from net income	17	0.88	1.07	2.00	3.32

The accompanying notes 1 to 23 form an integral part of these interim condensed financial statements.

**ALMUNAJEM FOODS COMPANY (formerly known as ALMUNAJEM COLD STORES COMPANY)
(SAUDI CLOSED JOINT STOCK COMPANY)**

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2021

	Share capital SR	Proposed increase in share capital SR	Statutory reserve SR	Actuarial valuation reserve SR	Retained earnings SR	Total SR
As at 1 January 2021 (Audited)	150,000,000	450,000,000	22,967,876	(3,739,413)	21,222,480	640,450,943
Net income for the period	-	-	-	-	120,114,060	120,114,060
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	450,000,000	(450,000,000)	-	-	120,114,060	120,114,060
Increase in share capital (note 10)	-	-	-	-	-	-
As at 30 September 2021 (Unaudited)	600,000,000	-	22,967,876	(3,739,413)	141,336,540	760,565,003
As at 1 January 2020 (Audited)	150,000,000	-	75,000,000	(1,500,754)	240,202,303	463,701,549
Net income for the period	-	-	-	-	201,889,183	201,889,183
Other comprehensive loss for the period	-	-	-	(2,422,173)	-	(2,422,173)
Total comprehensive income for the period	-	-	-	(2,422,173)	201,889,183	199,467,010
Dividends paid (note 18)	-	-	-	-	(158,276,809)	(158,276,809)
As at 30 September 2020 (Unaudited)	150,000,000	-	75,000,000	(3,922,927)	283,814,677	504,891,750





The accompanying notes 1 to 23 form an integral part of these interim condensed financial statements.

ALMUNAJEM FOODS COMPANY (formerly known as ALMUNAJEM COLD
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INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the nine-month period ended 30 September 2021

		<i>Nine-month period ended 30 September 2021 (Unaudited) SR</i>	<i>Nine-month period ended 30 September 2020 (Unaudited) SR</i>
	Note		
OPERATING ACTIVITIES			
Profit before zakat		131,516,572	209,269,089
<i>Non-cash adjustments to reconcile income before zakat to net cash flows from operating activities</i>			
Depreciation of right-of-use assets		5,990,558	5,281,823
Depreciation of property, plant and equipment	6	19,824,597	21,149,852
Amortization of intangible assets		1,161,032	1,308,577
Interest on lease liabilities	16	927,774	655,403
Interest on short-term borrowings	16	1,530,480	2,307,477
Allowance for expected credit losses	8	2,622,345	2,108,012
Gain on disposal of property, plant and equipment		(3,108,308)	(1,950,961)
Employees' defined benefit liabilities		5,625,450	3,074,325
		<u>166,090,500</u>	<u>243,203,597</u>
Working capital adjustments:			
Trade receivables, prepayments, and others		(34,938,157)	(26,702,397)
Inventories		(1,210,907)	(36,300,616)
Trade payables, accruals, and others		(4,427,395)	47,791,345
Refund liabilities		75,391	388,181
VAT payable		3,782,970	27,688,816
Due from/to related parties		(29,482,660)	(20,766,998)
		<u>99,889,742</u>	<u>235,301,928</u>
Finance costs paid		(1,530,480)	(1,519,496)
Employees' defined benefit liabilities paid		(1,148,854)	(2,287,776)
Zakat paid		-	(4,729,108)
		<u>97,210,408</u>	<u>226,765,548</u>
Net cash generated from operating activities			
INVESTING ACTIVITIES			
Additions to property, plant and equipment	6	(24,718,640)	(14,754,523)
Proceeds from disposal of property, plant and equipment		3,235,796	2,319,525
Additions to intangible assets		(200,502)	(611,833)
		<u>(21,683,346)</u>	<u>(13,046,831)</u>
Net cash used in investing activities			
FINANCING ACTIVITIES			
Payment of lease liabilities		(7,312,024)	(6,344,633)
Due to a partner		-	903,471
Proceeds from short-term borrowings		3,080,000,000	95,000,000
Repayments of short-term borrowings		(3,138,000,000)	(165,000,000)
Dividends paid	18	-	(122,904,361)
		<u>(65,312,024)</u>	<u>(198,345,523)</u>
Net cash used in financing activities			
Increase in bank balances and cash		10,215,038	15,373,194
Bank balances and cash at the beginning of the period	9	19,906,229	20,090,651
		<u>30,121,267</u>	<u>35,463,845</u>
Bank balances and cash at the end of the period	9		
Non-cash transactions:			
Additions to right-of-use assets and lease liabilities		47,768,606	36,875,865
Transfer of proposed increase in share capital to share capital	10	450,000,000	-
Unpaid dividends	18	-	35,372,448
Transfer of property, plant and equipment to a related party, net	11	-	13,950,205

The accompanying notes 1 to 23 form an integral part of these interim condensed financial statements.

ALMUNAJEM FOODS COMPANY (formerly known as ALMUNAJEM COLD STORES COMPANY)

(SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 September 2021

1. ORGANISATION AND ACTIVITIES

Almunajem Foods Company (formerly known as Almunajem Cold Stores Company) (the “Company”) is a Saudi Closed Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia (KSA) under commercial registration number 1010231822, dated 7 Rabie Thani 1428H (corresponding to 24 April 2007). The registered address of the Company is located at Riyadh, P O Box 1544, Riyadh 11451, KSA.

The Company is a subsidiary of Abdullah Al Ali Almunajem Sons Company (the “Parent Company”) which is a Saudi Closed Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010000565 dated 11 Dhu Al-Qidah 1376H (corresponding to 10 June 1957). The registered address of the Parent Company is located at Riyadh, P O Box 2395, Riyadh 11451, KSA.

On 11 October 2020, the Partners decided to go for an IPO. Also, the Partners decided in their meeting dated 2 November 2020 to convert the Company from a Limited Liability Company to a Closed Joint Stock Company. In addition, the Company has changed its legal name from “Almunajem Cold Stores Company” to “Almunajem Foods Company” (Saudi Closed Joint Stock Company). Legal formalities in respect of conversion of the legal form of the Company and change of name were completed during 2021 (note 10). As of 28 September 2021, the Capital Market Authority (“CMA”) Board has issued its resolution approving Almunajem Foods Company’s (“the Company”) application for the offering of (18,000,000) shares representing (30%) of the Company’s share capital.

The Company is engaged in wholesale and retail trading in fruits, vegetables, cold and frozen meat, bottled, food stuff, through its following branches:

Commercial registration

1131026002
2050059043
4030176226
5855030212
4650046753
3550027505
3350031238
2250045420
4031067309
4032032800
5900017953
1010401313
1010465454
4030291805
1010653210
3400119907

Branch location

Burieda
Dammam
Jeddah
Khamis Mushait
Madina
Tabouk
Hail
Ahsa
Makkah
Taif
Jizan
Riyadh
Riyadh
Jeddah
Riyadh
Sakaka

2. BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed financial statements for the three-month and nine-month period ended 30 September 2021 have been prepared in accordance with International Accounting Standard “Interim Financial Reporting” (“IAS 34”) endorsed in the Kingdom of Saudi Arabia. The Company has prepared the interim condensed financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast doubt significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements as at 31 December 2020.

2.2 Basis of measurement

These interim condensed financial statements have been prepared under the historical cost convention using the accruals basis of accounting. For employee and other post-employment benefits, actuarial present value calculations are used.

ALMUNAJEM FOODS COMPANY (formerly known as ALMUNAJEM COLD STORES COMPANY)

(SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2021

2. BASIS OF PREPARATION (continued)

2.3 Functional and presentation currency

These interim condensed financial statements are presented in Saudi Riyals (SR) which is also the functional currency of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES

The accounting policies adopted in the preparation of interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2020, except for the adoption of amendments to standards effective as of 1 January 2021. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2021, but do not have a material impact on the interim condensed financial statements of the Company.

Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued;
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the interim condensed financial statements of the Company.

5. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the Company's interim condensed 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.

The significant judgments made by management in applying the Company accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the financial statements for the year ended 31 December 2020. However, in view of the current uncertainty regarding COVID 19, any future change in assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amounts of assets or liabilities affected in future periods. As the situation continues to evolve, management will continue to assess the impact based on prospective developments (see also note 22).

ALMUNAJEM FOODS COMPANY (formerly known as ALMUNAJEM COLD STORES COMPANY)

(SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2021

6. PROPERTY, PLANT AND EQUIPMENT

	<i>Nine-month period ended 30 September 2021 (Unaudited) SR</i>	<i>Year end 31 December 2020 (Audited) SR</i>
Cost:		
At the beginning of the period / year	514,532,526	537,988,035
Additions during the period / year	24,718,640	18,895,703
Disposals during the period / year	(8,760,530)	(24,728,152)
Transfer to a related party (note 11)	-	(17,623,060)
At the end of the period / year	530,490,636	514,532,526
Accumulated depreciation:		
At the beginning of the period / year	233,498,868	233,871,974
Depreciation charge for the period / year	19,824,597	27,826,381
Relating to disposals during the period / year	(8,633,042)	(24,630,261)
Relating to transfer to a related party (note 11)	-	(3,569,226)
At the end of the period / year	244,690,423	233,498,868
Net book amounts:		
At the end of the period / year	285,800,213	281,033,658

7. INVENTORIES

	<i>Nine-month period ended 30 September 2021 (Unaudited) SR</i>	<i>Year end 31 December 2020 (Audited) SR</i>
Goods for resale	306,102,078	315,325,512
Goods-in-transit	102,181,123	94,599,890
Spare parts and consumables	12,920,285	10,067,177
	421,203,486	419,992,579

8. TRADE RECEIVABLES, PREPAYMENTS AND OTHERS

	<i>Nine-month period ended 30 September 2021 (Unaudited) SR</i>	<i>Year ended 31 December 2020 (Audited) SR</i>
Trade receivables	231,880,587	207,570,533
Less: allowance for expected credit losses	(9,428,754)	(6,806,409)
	222,451,833	200,764,124
Prepayments	13,853,865	7,905,653
Advances to suppliers and contractors	8,366,030	4,642,664
Right of return assets	1,018,400	976,777
Other current financial assets	2,803,358	1,888,456
	248,493,486	216,177,674

ALMUNAJEM FOODS COMPANY (formerly known as ALMUNAJEM COLD STORES COMPANY)

(SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2021

8. TRADE RECEIVABLES, PREPAYMENT AND OTHERS (continued)

Terms and conditions of the above financial assets:

Trade receivables are non-interest bearing and are generally on terms from 15 to 60 days. It is not the practice of the Company to obtain collateral over receivables and the vast majority are, therefore, unsecured.

The movements in the allowance for expected credit losses during the period were as follows:

	<i>For nine-month period ended 30 September 2021 (Unaudited) SR</i>	<i>Year ended 31 December 2020 (Audited) SR</i>
At the beginning of the period / year	6,806,409	4,624,131
Allowance for expected credit losses	2,622,345	2,182,278
	<hr/>	<hr/>
At the end of the period / year	9,428,754	6,806,409
	<hr/>	<hr/>

9. BANK BALANCES AND CASH

	<i>Nine-month period ended 30 September 2021 (Unaudited) SR</i>	<i>31 December 2020 (Audited) SR</i>
Cash at banks	28,315,333	17,571,434
Cash on hand	1,805,934	2,334,795
	<hr/>	<hr/>
	30,121,267	19,906,229
	<hr/>	<hr/>

10. SHARE CAPITAL AND STATUTORY RESERVE

(a) Share Capital

During the year 2020, the partners of the Company in their meeting held on 16 Rabi' al-Awwal 1442H (corresponding to 2 November 2020) resolved to increase the share capital of the Company from SR 150,000,000 to SR 600,000,000 (divided into 60,000,000 shares of SR 10 each) by transferring an amount of SR 450,000,000 from proposed increase in capital and to change the legal structure of the Company from a limited liability company to a closed joint stock company. The legal formalities for the increase in share capital and change of legal structure, including approval by the Ministry of Commerce and issuance of ministerial resolution, were completed on 5 Rajab 1442H (corresponding to 17 February 2021). Further, the Company also obtained approval from Ministry of Commerce to continue with the current financial year from 1 January 2021 to 31 December 2021 and accordingly exempted from preparing cut-off financial statement at the date of conversion to a Saudi closed joint stock company.

Authorized, issued and paid-up capital is divided into 60,000,000 shares (31 December 2020: 150,000 shares) of SR 10 each (31 December 2020: 1,000 each). The percentage of holding is as follows:

	<i>Nine-month period ended 30 September 2021 (Unaudited) SR</i>	<i>Year ended 31 December 2020 (Audited) SR</i>
Abdullah Al Ali Almunajem Sons Company	99%	99%
Al-Kafa'a Real Estate Company	1%	1%
	<hr/>	<hr/>
	100%	100%
	<hr/>	<hr/>

ALMUNAJEM FOODS COMPANY (formerly known as ALMUNAJEM COLD STORES COMPANY)

(SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2021

10. SHARE CAPITAL AND STATUTORY RESERVE (continued)

(b) Statutory Reserve

In accordance with Saudi Arabian Regulations for Companies and the Company's by-law, the Company must transfer 10% of its net income by the end of each year, until this reserve reaches 30% of the share capital. This reserve is not available for distribution.

11. RELATED PARTIES DISCLOSURES

Related parties represent major shareholders, director and key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

In addition to the corporate guarantee from the Parent Company as disclosed in note 13, transactions with related parties included in the statement of profit or loss during the period are as follows:

a) Related party transactions

	<i>Sales</i>	<i>Purchases</i>	<i>Expenses</i>	<i>PPE purchase</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
<i>For the three-month period ended 30 September 2021 (Unaudited)</i>				
France Poultry	-	104,127,354	-	-
Shawaya House Company	9,771,640	59,880	96,570	-
Gulf Catering Company	2,892,041	207,412	675,220	-
Nutrition and Diet Center Company	1,851,583	363,234	384,172	-
Az-Zad Saudi Company	276,775	25,482	44,502	-
Thati Limited Company	38,175	-	7,544	-
Burieda Trading and Refrigeration Company	-	-	88,969	-
Al-Kafa'a Real State Company	-	-	92,500	-
Abdullah Al Ali AlMunajem Sons Company	-	-	7,753	-
	<i>Sales</i>	<i>Purchases</i>	<i>Expenses</i>	<i>PPE purchase</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
<i>For the nine-month period ended 30 September 2021 (Unaudited)</i>				
France Poultry	-	299,999,686	-	-
Shawaya House Company	28,970,617	166,686	309,682	-
Gulf Catering Company	8,325,712	833,579	1,989,602	-
Nutrition and Diet Center Company	4,191,406	1,242,867	3,062,704	3,702,669
Az-Zad Saudi Company	815,525	72,507	130,503	-
Thati Limited Company	130,854	-	27,487	-
Burieda Trading and Refrigeration Company	-	1,217,490	256,077	-
Al-Kafa'a Real State Company	-	-	711,400	-
Abdullah Al Ali Almunajem Sons Company.	-	-	2,141,316	-
	<i>Sales</i>	<i>Purchases</i>	<i>Expenses</i>	<i>PPE disposal</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	
<i>For the three-month period ended 30 September 2020 (Unaudited)</i>				
France Poultry	-	126,078,123	-	-
Shawaya House Company	8,989,467	71,102	182,619	-
Gulf Catering Company	3,340,560	391,922	779,148	-
Nutrition and Diet Center Company	1,424,280	717,185	1,086,586	-
Az-Zad Saudi Company	232,613	31,746	78,011	-
Thati Limited Company	67,692	-	5,433	-
Burieda Trading and Refrigeration Company	-	2,238	65,077	-
Al-Kafa'a Real State Company	-	-	394,470	13,950,205
Abdullah Al Ali Almunajem Sons Company	-	-	5,893,830	-

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11. RELATED PARTIES DISCLOSURES (continued)

	Sales SR	Purchases SR	Expenses SR	PPE disposal
<i>For the nine-month period ended 30 September 2020 (Unaudited)</i>				
France Poultry	-	329,102,135	-	-
Shawaya House Company	22,561,394	79,452	423,016	-
Gulf Catering Company	9,397,855	762,687	1,642,642	-
Nutrition and Diet Center Company	4,854,221	1,828,652	2,493,813	-
Az-Zad Saudi Company	625,572	159,182	13,215	-
Thati Limited Company	1,140,365	-	33,190	-
Burieda Trading and Refrigeration Company	-	2,447,550	317,147	-
Al-Kafa'a Real State Company	-	-	956,181	13,950,205
Abdullah Al Ali Almunajem Sons Company	-	-	6,552,849	-
Al Ameda Contracting Company	-	-	4,969	-

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

b) *Amounts due from related parties*

The breakdown of amounts due from related parties is as follows:

	<i>Nine-month period ended 30 September 2021 (Unaudited) SR</i>	<i>Year ended 31 December 2020 (Audited) SR</i>
France Poultry	97,130,462	71,043,712
Shawaya House Company	8,192,592	7,150,774
Gulf Catering Company	2,381,620	1,262,904
Nutrition and Diet Center Company	1,667,266	1,025,235
Burieda Trading and Refrigeration Company	146,161	418,942
Az-Zad Saudi Company	99,818	151,715
Thati Limited Company	91,936	473,886
	111,025,307	81,527,168

The above balances are unsecured, interest free and settled within 12 months. The management estimates the allowance on due from related party balance at the reporting date at an amount equal to lifetime ECL. No receivable balance from related parties at the reporting date are past due, taking into account the historical default experience and the future prospects of the industries in which the related parties operate, the management considers that related party balances are not impaired. There has been no change in estimation techniques or significant assumptions made during the current reporting period in assessing the allowances for balances due from related parties.

c) *Amounts due to related parties*

The breakdown of amounts due to related parties is as follows:

	<i>Nine-month period ended 30 September 2021 (Unaudited) SR</i>	<i>Year ended 31 December 2020 (Audited) SR</i>
Nutrition and Diet Center Company Sodier	-	146,950
Abdullah Al Ali Almunajem Sons Company (Parent Company)	202,793	40,364
	202,793	187,314

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11. RELATED PARTIES DISCLOSURES (continued)

Terms and conditions of the above due to a shareholder:

These amounts are non-interest bearing and are generally on terms of 30 to 45 days.

d) Key management compensation

Key management personnel of the Company comprise of key members of the management having authority and responsibility for planning, directing, and controlling the activities of the Company. The compensation to key management is shown below:

	<i>For the three-month period ended</i>		<i>For the nine-month period ended</i>	
	30 September 2021 (Unaudited) SR	30 September 2020 (unaudited) SR	30 September 2021 (Unaudited) SR	30 September 2020 (unaudited) SR
Short-term employee benefits	1,440,319	1,299,748	4,233,377	3,667,941
Employees' defined benefit liabilities	78,165	55,993	308,541	309,600
	1,518,484	1,355,741	4,541,918	3,977,541

12. TRADE PAYABLES, ACCRUALS AND OTHERS

	<i>Nine-month period ended 30 September 2021 (Unaudited) SR</i>	<i>Year ended 31 December 2020 (Audited) SR</i>
Trade payables	149,150,272	149,777,122
Accrued expenses	25,610,344	29,098,804
Advances from customers	967,557	762,544
Other payables	893,137	1,410,235
	176,621,310	181,048,705

Terms and conditions of the above financial liabilities:

Trade and other payables are non-interest bearing and have a term of three months.

13. SHORT-TERM BORROWINGS

The Company has obtained Murabaha and Tawaruq loans from local banks for financing the Company's working capital requirements. The loans are secured by corporate guarantee from the Parent Company and carry borrowing costs at commercial rates.

As of 30 September 2021, the Company's total credit facilities are SR 570,000,000 (31 December 2020: SR 520,000,000) out of which SR 70,000,000 has been utilized (31 December 2020: SR 128,000,000).

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At 30 September 2021

14. ZAKAT PAYABLE

Abdullah Al Ali Almunajem Sons Company (the "Parent Company") and the Company initially filed their zakat declaration on a standalone basis until the year ended 31 December 2016. On 23 Muharram 1439 H (corresponding to 13 October 2017), the Parent Company obtained an approval from the Zakat, Tax and Customs Authority (ZTCA) to submit its zakat returns on a combined basis, including the Company and therefore, from 2008 and onwards, the Parent Company started filing the combined zakat declarations for all wholly owned subsidiaries, including the Company. Combined zakat declaration for the years ended 31 December 2008 through 2016 have been already resubmitted with ZTCA. The Parent Company also submitted the combined zakat declarations for all wholly owned subsidiaries, including the Company, for the years from 2017 to 2020. The Parent Company has obtained the zakat certificate until 31 December 2020. The calculation of the zakat liability was done by calculating Zakat due on the standalone basis for each entity of the group and then prorating the amount due to each company based on the combined Zakat calculation of the group.

In view of the approval of IPO process (note 1) and change in the legal status of the Company during the current year end (note 10), the Parent Company has pledged that any additional liability that may arise upon the finalization of zakat assessments that may arise in the future related to the years from 2008 until 2020 will be settled by the Parent Company.

Zakat expense

The zakat charge for the period/year comprises of the following:

	<i>For nine-month period ended 30 September 2021 (Unaudited) SR</i>	<i>For the year ended 31 December 2020 (Audited) SR</i>
Additional Zakat allocation (note (a) below)	-	1,948,966
Current period /year provision	11,402,512	5,285,909
Total provided during the period/year	11,402,512	7,234,875

- a) This amount represents additional Zakat expense allocation made by the Parent Company based on the combined Zakat calculation.

Movement in the zakat provision:

	<i>For the nine- month period ended 30 September 2021 (Unaudited) SR</i>	<i>For the year ended 31 December 2020 (Audited) SR</i>
At the beginning of the period /year	5,285,909	2,780,142
Current period /year provision and additional zakat allocated	11,402,512	7,234,875
Payment during the period /year	-	(4,729,108)
Balance at the end of the period /year	16,688,421	5,285,909

Status of assessments

Combined Zakat returns have been filed by the Parent Company, including the Company, with the Zakat, Tax and Customs Authority (ZTCA) for the years from 2008 to 2020. For any additional amounts may raise by ZTCA in the future related to the years from 2008 until 2020, will be settled by the Parent Company.

Starting 1 Jan 2021, the Company is filling its zakat return on a standalone basis.

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15. REVENUE

	<i>For the three-month period ended</i>		<i>For the nine-month period ended</i>	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	(Unaudited)	(unaudited)	(Unaudited)	(Unaudited)
	SR	SR	SR	SR
Non-retail - goods transferred at a point in time	421,045,342	384,569,298	1,147,257,962	1,091,242,529
Retail - goods transferred at a point in time	231,704,255	239,882,008	744,358,098	819,556,972
Storage rent revenue	2,238,452	1,926,234	5,909,805	5,561,094
	654,988,049	626,377,540	1,897,525,865	1,916,360,595

	<i>For the three-month period ended</i>		<i>For the nine-month period ended</i>	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	SR	SR	SR	SR
Timing of revenue recognition				
Goods transferred at a point in time	652,749,597	624,451,306	1,891,616,060	1,910,799,501
Storage rent revenue– over time	2,238,452	1,926,234	5,909,805	5,561,094
	654,988,049	626,377,540	1,897,525,865	1,916,360,595

16. FINANCE COSTS

	<i>For the three-month period ended</i>		<i>For the nine-month period ended</i>	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	SR	SR	SR	SR
Interest on bank borrowings	559,821	504,779	1,530,480	2,307,477
Interest on lease liabilities	303,865	140,357	927,774	655,403
Interest on actuarial	-	787,981	-	787,981
	863,686	1,433,117	2,458,254	3,750,861

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2021

17. EARNING PER SHARE (EPS)

Basic and diluted earnings per share ("EPS") is calculated by dividing the net income for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is the same as the basic earnings per share as the Company does not have any convertible securities or diluted instruments to exercise.

The following table reflects the income for the period attributable to ordinary equity holders and weighted average number of ordinary share outstanding during the period used in the basic and diluted EPS computations:

Basic and diluted earnings per share from total income.

	<i>For the three-month period ended</i>		<i>For the three-month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Total comprehensive income for the period	52,658,827	64,377,284	120,114,060	199,467,010
Weighted average number of ordinary shares	60,000,000	60,000,000	60,000,000	60,000,000
Basic and diluted earnings per share	0.88	1.07	2.00	3.32

18. DIVIDENDS

No dividends have been proposed in the current period. During the nine-month period ended 30 September 2020, dividends of SR 158,276,809 (SR 1,055.2 dividends per share) were declared, which were approved by the partners in their meeting held on 23 Sha'ban 1441H (corresponding to 16 April 2020).

19. SEGMENT INFORMATION

For management purposes, the Company is organised into business units based on its geographical regions within the Kingdom of Saudi Arabia, as follows:

	<i>Central region</i>	<i>Eastern region</i>	<i>Western region</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
<i>For the three-month period ended at 30 September 2021(Unaudited)</i>				
Revenues	285,091,161	136,652,299	233,244,589	654,988,049
Cost of revenues	234,749,494	111,248,781	189,394,764	535,393,039
Asset depreciation and amortization	2,552,809	1,383,891	2,848,022	6,784,722
Depreciation of right-of-use assets	1,102,551	339,238	592,537	2,034,326
Segment profit before zakat	21,362,493	14,632,321	20,639,778	56,634,592
Total assets 30 September 2021 (Unaudited)	551,430,660	236,047,969	360,238,778	1,147,717,407
Total liabilities 30 September 2021 (Unaudited)	353,524,242	12,698,334	20,929,828	387,152,404

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20. SEGMENT INFORMATION (continued)

	Central region SR	Eastern region SR	Western region SR	Total SR
<i>For the nine-month period ended at 30 September 2021(Unaudited)</i>				
Revenues	851,606,779	379,283,302	666,635,784	1,897,525,865
Cost of revenues	712,079,032	313,354,402	546,055,424	1,571,488,858
Asset depreciation and amortization	7,542,110	4,296,626	9,146,893	20,985,629
Depreciation of right-of-use assets	3,241,429	936,819	1,782,941	5,961,189
Segment profit before zakat	54,131,148	31,620,026	45,765,398	131,516,572
Total assets 30 September 2021 (Unaudited)	551,430,660	236,047,969	360,238,778	1,147,717,407
Total liabilities 30 September 2021 (Unaudited)	353,524,242	12,698,334	20,929,828	387,152,404
	Central region SR	Eastern region SR	Western region SR	Total SR
<i>For the three-month period ended at 30 September 2020 (Unaudited)</i>				
Revenues	276,970,111	131,207,030	218,200,399	626,377,540
Cost of revenues	225,848,737	105,098,033	173,165,687	504,112,457
Asset depreciation and amortization	2,408,830	1,557,129	3,284,600	7,250,559
Depreciation of right-of-use assets	950,657	266,541	619,754	1,836,952
Segment profit before zakat	36,657,428	14,034,024	19,870,474	70,561,926
Total assets 31 December 2020	512,376,104	219,767,247	337,705,454	1,069,848,805
Total liabilities 31 December 2020	101,077,110	158,667,167	169,653,585	429,397,862
	Central region SR	Eastern region SR	Western region SR	Total SR
<i>For the nine-month period ended at 30 September 2020 (Unaudited)</i>				
Revenues	866,065,440	399,396,749	650,898,406	1,916,360,595
Cost of revenues	691,702,883	318,677,995	518,713,852	1,529,094,730
Asset depreciation and amortization	7,062,767	4,836,865	10,558,797	22,458,429
Depreciation of right-of-use assets	2,880,207	716,407	1,685,209	5,281,823
Segment profit before zakat	105,992,057	46,140,040	57,136,992	209,269,089
Total assets 31 December 2020	512,376,104	219,767,247	337,705,454	1,069,848,805
Total liabilities 31 December 2020	101,077,110	158,667,167	169,653,585	429,397,862

The Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

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21. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Company has given letters of guarantee, limited to SR 600,000 (31 December 2020: SR 410,000), in respect of contract performance, and letters of credit amounting to SR 15,727,834 (31 December 2020: SR 33,597,707). There are Invoices Payable under the Supply Chain Finance Facility amounting to SR 39,882,678 as at 30 September 2021 (31 December 2020: nil) and capital commitments amounting to SR 1,000,389 as at 30 September 2021 (31 December 2020: SR 9,677,152) related to property, plant and equipment.

22. COVID 19 IMPACT

A novel strain of coronavirus ("COVID-19") was first identified at the end of December 2019, subsequently in June 2020 was declared as a pandemic by the World Health Organization ("WHO"). COVID-19 continues to spread throughout in nearly all regions around the world including the Kingdom of Saudi Arabia and resulted in travel restrictions and curfew in the cities which resulted in a slowdown of economic activities and shutdowns of many sectors at global and local levels.

The extent to which coronavirus pandemic impacts the Company's business, operations, and financial results, is uncertain and depends on many factors and future developments, that the Company may not be able to estimate reliably during the current period. These factors include the virus transmission rate, the duration of the outbreak, precautionary actions that may be taken by governmental authorities to reduce the spread of the epidemic and the impact of those actions on economic activity, the impact to the businesses of the Company's customers and partners and other factors.

As far and as of the date of preparation of the interim condensed financial statements for the period ended 30 September 2021, the Company's operations did not have a significant negative impact from the COVID-19 outbreak. The Company's management will continue to evaluate the nature and extent of the impact of COVID-19 on the Company's business and financial results.

23. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved for issuance by the Board of Directors on 4 Rabi' al Thani 1443H (corresponding to 9 November 2021).