

ALMUNAJEM FOODS COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
AND REVIEW REPORT
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED
JUNE 30, 2023

ALMUNAJEM FOODS COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2023

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KPMG Professional Services

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ك.م.بي إم جي للاستشارات المهنية

واجهة الرياض، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤
المركز الرئيسي في الرياض

Independent auditor's report on review of condensed interim financial statements

To the Shareholders of AIMunajem Foods Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed interim financial statements of **AIMunajem Foods Company** ("the Company"), which comprise:

- The condensed interim statement of financial position as at 30 June 2023,
- The condensed interim statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2023,
- The condensed interim statement of changes in equity for the six-month period ended 30 June 2023,
- The condensed interim statement of cash flows for the six-month period ended 30 June 2023,
- the notes to the condensed interim financial statements for the three-month and six-month periods ended 30 June 2023.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements 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 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 30 June 2023 condensed interim financial statements of **AIMunajem Foods Company** are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services



Fahad Mubark Aldossari
License No. 469



Al Riyadh, 16 Muharram 1445H
Corresponding to: 3 August 2023

ALMUNAJEM FOODS COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	Notes	June 30, 2023 SAR (Unaudited)	December 31, 2022 SAR (Audited)
ASSETS			
Non-current assets			
Property, plant, and equipment	4	268,069,076	272,307,365
Intangible assets		1,519,654	1,521,585
Right-of-use assets	5	42,436,961	46,629,990
Total non-current assets		312,025,691	320,458,940
Current assets			
Inventories	6	535,503,416	661,654,675
Trade receivables	7	293,256,403	246,382,666
Due from related parties	8-B	15,479,090	6,968,013
Prepayments and other assets	9	210,418,405	137,855,287
Cash and cash equivalents	10	198,438,973	111,029,404
Total current assets		1,253,096,287	1,163,890,045
TOTAL ASSETS		1,565,121,978	1,484,348,985
EQUITY AND LIABILITIES			
Equity			
Share capital	11-A	600,000,000	600,000,000
Statutory reserve	11-B	68,597,256	68,597,256
Actuarial valuation reserve		(4,972,434)	(4,972,434)
Retained earnings		316,331,997	236,886,901
Total equity		979,956,819	900,511,723
Liabilities			
Non-current liabilities			
Lease liabilities	5	35,938,153	40,749,176
Employees' benefit obligations		51,085,659	48,263,214
Total non-current liabilities		87,023,812	89,012,390
Current liabilities			
Lease liabilities	5	7,891,659	8,205,016
Zakat payable	13	11,264,481	18,840,788
VAT payable, net		34,221,930	24,279,790
Trade payables, accruals, and other liabilities	12	444,735,551	443,487,711
Due to related parties	8-C	27,726	11,567
Total current liabilities		498,141,347	494,824,872
Total liabilities		585,165,159	583,837,262
TOTAL EQUITY AND LIABILITIES		1,565,121,978	1,484,348,985

Mohammed Salman Mehmood
CFO

Thamer Abdulaziz Abanumay
CEO

Saleh Abdullah Almunajem
Chairman

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

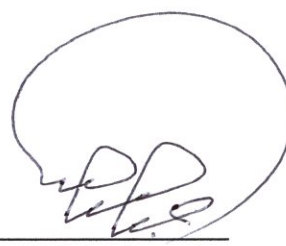
ALMUNAJEM FOODS COMPANY
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2023**

	Note	For the three-month period ended		For the six-month period ended	
		June 30, 2023 SAR (Unaudited)	June 30, 2022 SAR (Unaudited)	June 30, 2023 SAR (Unaudited)	June 30, 2022 SAR (Unaudited)
Revenue	14	772,385,784	712,475,334	1,674,350,249	1,500,482,765
Cost of sales		(637,168,446)	(516,517,140)	(1,383,420,914)	(1,131,995,335)
Gross profit		135,217,338	195,958,194	290,929,335	368,487,430
Selling and distribution expenses		(66,709,901)	(65,700,825)	(133,398,619)	(128,816,322)
General and administrative expenses		(7,121,277)	(7,462,963)	(13,566,435)	(14,009,071)
Impairment loss on financial assets	7	(644,080)	(1,043,234)	(1,488,146)	(2,728,296)
Other income	16	142,320	5,951,886	6,926,061	7,882,474
Operating income		60,884,400	127,703,058	149,402,196	230,816,215
Finance income, net	15	1,532,614	408,064	1,182,812	188,131
Profit before zakat		62,417,014	128,111,122	150,585,008	231,004,346
Zakat	13	(4,853,292)	(5,987,654)	(11,139,912)	(11,323,869)
NET PROFIT FOR THE PERIOD		57,563,722	122,123,468	139,445,096	219,680,477
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement of employees' defined benefit liabilities		-	-	-	-
Other comprehensive income for the period		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		57,563,722	122,123,468	139,445,096	219,680,477
Basic and diluted earnings per share:					
Basic and diluted earnings per share from net profit	17	0.96	2.04	2.32	3.66


Muhammed Salman Mehmood
CFO



Thamer Abdulaziz Abanumay
CEO



Saleh Abdullah Almunajem
Chairman

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

ALMUNAJEM FOODS COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

	Share capital SAR	Statutory reserve SAR	Actuarial valuation reserve SAR	Retained earnings SAR	Total SAR
As at January 1, 2023 (Audited)	600,000,000	68,597,256	(4,972,434)	236,886,901	900,511,723
Net profit for the period	-	-	-	139,445,096	139,445,096
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	139,445,096	139,445,096
Dividends (Note 18)	-	-	-	(60,000,000)	(60,000,000)
As at June 30, 2023 (Unaudited)	600,000,000	68,597,256	(4,972,434)	316,331,997	979,956,819
As at January 1, 2022 (Audited)	600,000,000	39,577,074	(5,545,632)	170,705,262	804,736,704
Net profit for the period	-	-	-	219,680,477	219,680,477
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	219,680,477	219,680,477
Dividends (Note 18)	-	-	-	(120,000,000)	(120,000,000)
As at June 30, 2022 (Unaudited)	600,000,000	39,577,074	(5,545,632)	270,385,739	904,417,181


Mohammed Salman Mehmood
CFO


Thamer Abdulaziz Abanumay
CEO


Saleh Abdullah Almunajem
Chairman

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

ALMUNAJEM FOODS COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2023

		June 30, 2023 SAR	June 30, 2022 SAR
		(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES	Notes		
Profit before zakat		150,585,008	231,004,346
<i>Non-cash adjustments to reconcile profit before zakat to net cash flows from operating activities</i>			
Depreciation of right-of-use assets	5	3,481,001	4,315,623
Depreciation of property, plant, and equipment	4	13,921,738	14,092,387
Amortization of intangible assets		443,991	743,513
Interest on lease liabilities	5	2,181,950	650,507
Interest charged on short-term loans		149,156	62,708
Allowance for expected credit losses	7	1,488,146	2,728,297
Provision for slow moving & obsolete inventories	6	-	500,000
Gain on disposal of property, plant, and equipment	16	(7,057,975)	(1,116,032)
Provision for employees' benefit obligations		3,617,040	3,943,760
		<u>168,810,055</u>	<u>256,925,109</u>
<i>Working capital adjustments:</i>			
Trade receivables		(48,361,883)	(26,951,375)
Prepayments and other assets		(64,292,082)	(24,748,564)
Inventories		126,151,259	(109,135,105)
Trade payables, accruals, and other liabilities		1,247,840	48,767,815
VAT payable		9,942,140	5,182,854
Due from / to related parties		(8,494,918)	(1,189,357)
		<u>185,002,411</u>	<u>148,851,377</u>
Finance costs paid		(917,083)	(623,611)
Employees' benefit obligations paid		(794,595)	(827,937)
Zakat paid		(18,716,219)	(14,955,928)
Net cash generated from operating activities		<u>164,574,514</u>	<u>132,443,901</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant, and equipment	4	(12,563,121)	(7,544,750)
Proceeds from disposal of property, plant, and equipment	4	1,666,611	1,220,187
Payments for purchase of intangible assets		(442,060)	-
Net cash used in investing activities		<u>(11,338,570)</u>	<u>(6,324,563)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities	5	(5,826,375)	(5,288,291)
Proceeds from short-term loans		30,000,000	90,000,000
Repayments of short-term loans		(30,000,000)	(90,000,000)
Dividends Paid		(60,000,000)	(120,000,000)
Net cash used in financing activities		<u>(65,826,375)</u>	<u>(125,288,291)</u>
Net increase in cash and cash equivalents		87,409,569	831,047
Cash and cash equivalents at the beginning of the period		111,029,404	85,525,433
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	10	<u>198,438,973</u>	<u>86,356,480</u>
NON-CASH TRANSACTION			
Compensation for the expropriation of land and a building	16	8,271,036	-
Mohamed Salman Mahmoud CFO	Thamer Abdulaziz Abanumay CEO	Saleh Abdullah Almunajem Chairman	

The accompanying notes from 1 to 23 form an integral part of these condensed interim financial statement

ALMUNAJEM FOODS COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2023
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

1. CORPORATE INFORMATION

Almunajem Foods Company (the “Company”) is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia (KSA) under commercial registration numbered 1010231822, dated 7 Rabie Al Thani 1428H (corresponding to April 24, 2007). The registered address of the Company is located at Riyadh, P O Box 1544, Riyadh 11441, KSA.

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

On October 11, 2020, the shareholders decided to go for an IPO. Also, the shareholders decided in their meeting dated November 02, 2020 to convert the Company from Limited Liability Company to a Closed Joint Stock Company. In addition, the Company’s name was changed from “Almunajem Cold Stores Company” to “Almunajem Foods Company” (A Saudi Closed Joint Stock Company). Legal formalities were completed on February 17, 2021.

As of December 20, 2021, 30% of the company’s shares are listed at Saudi Stock Exchange (Tadawul). Moreover, 69.3% of the Company is owned by a main shareholder (Abdullah Al Ali Almunajem Sons Company) and 0.7% by another shareholder (AlKafaa Real Estate Company).

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

Commercial registration	Branch location
1131026002	Buraydah
2050059043	Dammam
4030176226	Jeddah
5855030212	Khamis Mushait
4650046753	Medina
3550027505	Tabuk
3350031238	Hail
2250045420	Al-Ahsa
4031067309	Makkah
4032032800	Taif
5900017953	Jizan
1010401313	Riyadh
1010465454	Riyadh
4030291805	Jeddah
1010653210	Riyadh
3400119907	Sakaka

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These condensed interim financial statements for the three months and six months period ended June 30, 2023 have been prepared in accordance with International Accounting Standard (34) “Interim Financial Reporting” that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants. The condensed interim financial statements should be read in conjunction with the Company’s annual financial statement as at December 31, 2022 (“last annual financial statements”). These condensed interim financial statements do not include all the information and disclosures required to prepare a full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the last annual financial statements. In addition, the results for the six months periods ended June 30, 2023 are not necessarily indicative of the results that may be expected for the year ended December 31, 2023.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2023
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except for employees' benefit obligations which are recognized at the present value of future obligations using the projected credit method. Further, the condensed interim financial statements are prepared using accrual basis of accounting and the going concern basis of assumption.

b) Functional and presentation currency

The condensed interim financial statements are presented in Saudi Arabian Riyals ("SAR") which is also the functional currency of the Company.

c) Use of estimates and judgements

The preparation of Company's condensed interim financial statements in accordance with IFRS as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as endorsed by Saudi Organization for Chartered and Professional Accountants require management to make judgements, estimates, and assumptions that affect the reported amounts of revenues, costs, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Actual results may differ from these estimates.

The significant estimates made by the management when applying the Company's accounting policies and the significant sources of uncertainties were similar to those shown in the Company's latest annual financial statements.

2.2 Summary of significant accounting policies

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2022.

There are no new standards issued. However, there are a number of amendments to standards that are effective from January 1, 2023. These do not have a significant impact on the financial statements.

Effective for annual periods beginning on or after	New standards and amendments
January 1, 2023	IFRS 17 Insurance Contracts*, including amendments Initial Application of IFRS 17
	Classification of Liabilities as Current or Non-current – Amendments to IAS 1 Presentation of Financial Statements
	Definition of Accounting Estimates – Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
	Disclosure Initiative: Accounting Policies – Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements
	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2023
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

3. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

There are standards issued but not yet effective as following:

The Company has not early adopted the following new and revised IFRSs that have been issued but are not yet effective:

Effective for annual periods beginning on or after	New standards and amendments
January 1, 2024	Non-Current Liabilities with Covenant - Amendments to IAS 1 and Classification of Liabilities as Current or Non-current - Amendments IAS1
	Lease Liability in a Sale and Leaseback-Amendments to IFRS 16
Available for optional adoption/ effective date deferred indefinitely	Sale or contribution of assets between the investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28).

ALMUNAJEM FOODS COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2023
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

4. PROPERTY, PLANT, AND EQUIPMENT

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Cost:		
At the beginning of the period/year	540,692,547	536,621,255
Additions during the period/year	12,563,121	14,298,657
Disposals during the period/year *	(11,384,971)	(10,227,365)
At the end of the period/year	541,870,697	540,692,547
Accumulated depreciation:		
At the beginning of the period/year	268,385,182	249,884,681
Charge during the period/year	13,921,738	28,518,970
Disposals during the period/year*	(8,505,299)	(10,018,469)
At the end of the period/year	273,801,621	268,385,182
Net book value:		
At the end of the period/year	268,069,076	272,307,365

* This item includes the disposal of land and building in the city of Jeddah as a result of expropriation, with a net book value of SAR 2.7 million as at June 30, 2023.

5. LEASES

Set out below are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the period/year:

Right-of-use assets	June 30, 2023 (Unaudited)	December 31,2022 (Audited)
At the beginning of the period/year	46,629,990	48,433,604
Adjustments *	(3,545,394)	-
Additions	3,838,737	7,227,340
Depreciation charge	(4,486,372)	(9,030,954)
At the end of the period/year	42,436,961	46,629,990
Lease liabilities		
At the beginning of the period/year	48,954,192	50,102,840
Adjustments *	(3,179,890)	-
Additions	3,838,737	7,227,340
Accretion of interest	811,075	1,301,176
Payments	(6,594,302)	(9,677,164)
At the end of the period/year	43,829,812	48,954,192

*The effect of adjustments was distributed in the statement of profit or loss and other comprehensive income between the depreciation charge of the right-of-use assets and the interest on lease liabilities with the amount of SAR 1.01 million and SAR 1.37 million, respectively.

ALMUNAJEM FOODS COMPANY
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2023
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

5. LEASES (continued)

Lease liabilities are classified in the condensed interim statement of financial position as follows:

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Current	7,891,659	8,205,016
Non-current	35,938,153	40,749,176
	43,829,812	48,954,192

6. INVENTORIES

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Goods for resale	351,768,650	416,542,016
Goods in transit	156,940,440	217,495,175
Spares and consumables	27,794,326	28,617,484
Less: Allowance for slow-moving and obsolete items*	(1,000,000)	(1,000,000)
	535,503,416	661,654,675

During the period ended June 30, 2023, SAR 1,384.7 million (June 30, 2022: SAR 1,133.3 million) of the Inventory was recognized as an expense in the cost of revenue. Cost of revenue also includes compensations and volume rebates from suppliers amounting to SAR 4.9 million (June 30, 2022: SAR 3.2 million)

*The movement of allowance for slow-moving and obsolete inventories is as follows:

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
At the beginning of period/year	1,000,000	500,000
Provided during the period/year*	-	500,000
At the end of period/year	1,000,000	1,000,000

*This pertains to specifically identified spares that are no longer useable.

7. TRADE RECEIVABLES

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Trade receivables	308,525,979	260,164,096
Less: Allowance for expected credit losses	(15,269,576)	(13,781,430)
	293,256,403	246,382,666

Trade receivables are non-interest bearing and are generally on terms from 15 to 60 days, it is not the Company's policy to obtain collateral for receivables.

ALMUNAJEM FOODS COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED JUNE 30, 2023
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

7. TRADE RECEIVABLES (continued)

Movement in the allowance for expected credit losses is as follows:

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
At the beginning of the period/year	13,781,430	11,131,637
Provided during the period/year	1,488,146	2,658,491
Written-off	-	(8,698)
At the end of the period/year	15,269,576	13,781,430

8. RELATED PARTIES TRANSACTIONS AND BALANCES

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.

Transactions with related parties included in the statement of profit or loss and other comprehensive income are as follows:

a) Related parties' transactions

<i>For the Six months period ended June 30, 2023</i>	<i>Relationship</i>	<i><u>Sales</u></i>	<i><u>Purchases</u></i>	<i><u>Expenses</u></i>	<i><u>PPE purchase/ selling</u></i>
France Poultry	Affiliate	-	249,570,089	-	-
Shawaya House Company	Affiliate	17,669,755	-	81,260	-
Gulf Catering Company	Affiliate	4,011,073	-	277,576	-
Nutrition and Diet Center Company	Affiliate	3,111,994	3,300,006	469,451	-
Az-Zad Saudi Company	Affiliate	284,409	-	1,740	-
Thati Limited Company	Affiliate	9,270	-	15,865	-
Bureida Trading and Refrigeration Company	Affiliate	-	-	164,402	1,087,800
Al-Kafa'a Real State Company	Affiliate	-	-	882,824	-
Abdullah Al Ali Almunajem Sons Company	The parent company	-	-	2,348,083	-
Four Steps International	Owned by a member of the BOD	-	-	49,000	-

<i>For the six months period ended June 30, 2022</i>	<i>Relationship</i>	<i><u>Sales</u></i>	<i><u>Purchases</u></i>	<i><u>Expenses</u></i>	<i><u>PPE purchase/ selling</u></i>
France Poultry	Affiliate	-	235,003,600	-	-
Shawaya House Company	Affiliate	16,641,003	-	52,435	-
Gulf Catering Company	Affiliate	6,524,593	-	504,395	-
Nutrition and Diet Center Company	Affiliate	2,222,200	-	625,811	-
Az-Zad Saudi Company	Affiliate	284,047	-	22,247	-
Thati Limited Company	Affiliate	162,057	-	23,648	-
Bureida Trading and Refrigeration Company	Affiliate	-	-	111,038	1,131,400
Al-Kafa'a Real State Company	Affiliate	-	-	639,000	-
Abdullah Al Ali Almunajem Sons Company	The parent company	-	-	604,409	-
Four Steps International	Owned by a member of the BOD	-	-	59,000	-

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8. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

Related parties' balances included in the condensed interim statement of financial position are as follows:

b) Due from related parties

	<i>Relationship</i>	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Shawaya House Company	Affiliate	12,063,992	2,314,984
Gulf Catering Company	Affiliate	1,915,361	4,309,310
Nutrition and Diet Center Company	Affiliate	1,417,621	229,986
Az-Zad Saudi Company	Affiliate	65,553	32,591
Bureida Trading and Refrigeration Company	Affiliate	16,563	70,577
Thati Limited Company	Affiliate	-	10,565
		15,479,090	6,968,013

The above balances are unsecured, interest-free, and settlement term within 30-45 days. The management estimates the allowance on due from the related party balance at the reporting date at an amount equal to lifetime ECL. No receivable balances 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. 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) Due to related parties

	<i>Relationship</i>	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Thati Limited Company	Affiliate	20,111	-
Abdullah Al Ali Almunajem Sons Company	The parent company	7,615	11,567
		27,726	11,567

Outstanding balances at the period /year end are unsecured, interest free and settlement within 30-45. There have been no guarantees provided or received for any related party receivables or payables. Outstanding balances at period/year-end arise in the normal course of business.

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:

	For the three-months period ended		For the six-months period ended	
	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)
Short-term employee benefits	2,055,575	2,078,019	4,048,554	3,699,106
Employees' defined benefit liabilities	290,725	98,130	377,297	196,256
	2,346,300	2,176,149	4,425,851	3,895,362

*Short-term employee benefits include SAR 0.97 million (June 30, 2022: SAR 0.98 million) pertaining to the Board Of Directors' remuneration.

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9. PREPAYMENTS AND OTHER ASSETS

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Advance to a related party*	179,141,907	115,599,815
Advances to suppliers and contractors	6,465,705	6,882,726
Prepayments	12,111,562	12,486,367
Employee receivables	671,723	873,359
Right of return assets	1,187,365	1,155,481
Others	10,840,143	857,539
	<u>210,418,405</u>	<u>137,855,287</u>

*This represents advance payments to France Poultry (a subsidiary to the parent Company) for future deliveries of goods. Refer note 8.

10. CASH AND CASH EQUIVALENTS

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Cash at banks	56,098,495	65,798,554
Short-term deposits*	140,000,000	40,000,000
Cash on hand	2,340,478	5,230,850
	<u>198,438,973</u>	<u>111,029,404</u>

*Cash and cash equivalents include Murabaha Islamic short-term deposits with a maturity period within three months.

11. SHARE CAPITAL AND STATUTORY RESERVE

(a) Share Capital

The Company's share capital of SAR 600 million consisted of 60 million issued and fully paid shares of SAR 10 each on 30 June 2023 (December 31, 2022: 60 million shares of SAR 10 each).

(b) Statutory Reserve

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

12. TRADE PAYABLES, ACCRUALS, AND OTHER LIABILITIES

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Trade payables *	405,217,017	403,763,951
Accrued expenses	33,460,391	35,038,720
Refund liabilities	1,442,817	1,530,766
Advances from customers	1,188,918	1,325,171
Other payables	3,426,408	1,829,103
	<u>444,735,551</u>	<u>443,487,711</u>

*Trade Payables consist of supply chain agreements granted from Saudi local banks during the period ended June 30, 2023 with an amount of SAR 151 million (December 31, 2022: SAR 113 million).

Trade and other payables are non-interest bearing and have a term of 30 to 90 days.

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13. ZAKAT

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 on 31 December 2016. On 23 Muharram 1439 H (corresponding to 13 October 2017), the Parent Company obtained approval from the Zakat, Tax and Customs Authority (ZATCA) 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. Declarations the years ended 31 December 2008 through 2016 have been already resubmitted with ZATCA. 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 2022. Zakat expense used to be calculated by the Parent Company at the group level and allocated to the Company.

In view of the approval of IPO process (note 1) and change in the legal status of the Company during the year 2020, 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.

Movement in the zakat provision is as follows:

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
At the beginning of the period/year	18,840,788	14,802,310
Provided during the period/year	11,139,912	19,031,300
Paid during the period/year	(18,716,219)	(14,992,822)
At the end of the period/year	11,264,481	18,840,788

Status of assessments:

Combined Zakat returns have been filed by the Parent Company, including the Company, with the Zakat, Tax and Customs Authority (ZATCA) for the years from 2008 to 2020.

The Company filed the Zakat declaration for the year 2022, the Zakat payable has been paid based on this declaration. A Zakat certificate was issued for the year 2022.

14. REVENUE

	<u>For the three-months period ended</u>		<u>For the six-months period ended</u>	
	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)
Revenue recognized at a point in time				
Non-retail - goods transferred	492,037,745	421,013,702	977,669,979	879,211,111
Retail - goods transferred	276,472,243	288,152,366	689,328,775	614,647,281
Revenue recognized over-time				
Storage rent revenue	3,875,796	3,309,266	7,351,495	6,624,373
	772,385,784	712,475,334	1,674,350,249	1,500,482,765

Revenue is generated inside the Kingdom of Saudi Arabia.

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15. FINANCE INCOME, NET

	For the three-months period ended		For the six-months period ended	
	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)
Interest on bank borrowings	149,156	62,708	149,156	62,708
Interest on lease liabilities	413,919	327,012	2,181,950	650,507
Income from short-term deposits	(2,095,689)	(797,784)	(3,513,918)	(901,346)
	(1,532,614)	(408,064)	(1,182,812)	(188,131)

16. OTHER INCOME

	For the three-months period ended		For the six-months period ended	
	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)
Gain on disposal of property, plant, and equipment*	33,921	611,204	7,057,975	1,116,031
Foreign currencies exchange gain / (losses)	161,094	2,753,765	(481,328)	3,814,856
Other (expense) / income	(52,695)	2,586,917	349,414	2,951,587
	142,320	5,951,886	6,926,061	7,882,474

*During the period ending June 30, 2023, the Company booked a net gain of SAR 5.5 million resulting from insured government compensation for a building owned by the Company located in the city of Jeddah. The property was having a net book value of SAR 2.7 million and its estimated fair value amounted to SAR 8.2 million. The procedures for collecting the amount are still in progress. Refer to note 4.

17. EARNING PER SHARE

Basic and diluted earnings per share ("EPS") is calculated by dividing the net profit for the period attributable to equity holders with 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 profit for the period attributable to equity holders and weighted average number of ordinary share outstanding during the period used in the basic and diluted EPS computations:

	For the three-months period ended		For the six-months period ended	
	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)
Net profit for the period	57,563,722	122,123,468	139,445,096	219,680,477
Weighted average number of ordinary shares	60,000,000	60,000,000	60,000,000	60,000,000
Basic and diluted earnings per share	0.96	2.04	2.32	3.66

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18. DIVIDENDS

The Extraordinary General Assembly meeting held on May 8, 2023G (corresponding to 18 Shawwal 1444 H) based on the recommendation of the Company's Board of Directors meeting held on March 23, 2023G, (Corresponding to 1 Ramadan 1444 H) approved to distribute dividends for the second half of the year 2023 amounting to SAR 60 million to the Company's shareholders at 1 riyal per share, or 10% of the capital.

The Extraordinary General Assembly meeting held on June 1, 2022 (corresponding to 2 Dhu'l Qi'dah 1443) based on the recommendation of the Company's Board of Directors held on March 27, 2022, (corresponding to 24 Sha'ban 1443) approved to pay cash dividends of SAR 120 million for the year ended December 31, 2021 amounting to SR 2 per share, which represents 20% of the Company's capital.

19. SEGMENT INFORMATION

The Senior Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The Company operates in three regions in the Kingdom of Saudi Arabia, which are its reportable segments. These regions are identified as a separate reportable segment because the company managed them separately. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

For management purposes, the Company is into business units based on its geographical regions, as follows:

<i>For the Six-months period ended June 30, 2023 (Unaudited)</i>	Central region	Eastern region	Western region	Total
Revenue	696,022,079	338,165,966	640,162,204	1,674,350,249
Cost of revenue	579,668,427	278,711,920	525,040,567	1,383,420,914
Depreciation and amortization	6,401,398	3,499,853	7,945,479	17,846,730
Segment profit before zakat	54,045,055	32,897,210	63,642,743	150,585,008
Total assets as of June 30, 2023 (Unaudited)	805,266,154	276,537,184	483,318,640	1,565,121,978
Total liabilities as of June 30, 2023 (Unaudited)	542,637,424	12,923,669	29,604,066	585,165,159

<i>For the Six-months period ended June 30, 2022 (Unaudited)</i>	Central region	Eastern region	Western region	Total
Revenue	659,003,168	307,664,235	533,815,362	1,500,482,765
Cost of revenue	500,759,031	230,106,167	401,130,137	1,131,995,335
Depreciation and amortization	7,438,239	3,629,396	8,083,888	19,151,523
Segment profit before zakat	101,843,934	51,812,375	77,348,037	231,004,346
Total assets as of June 30, 2022 (Unaudited)	780,665,215	248,960,801	420,825,976	1,450,451,992
Total liabilities as of June 30, 2022 (Unaudited)	506,893,536	13,031,887	26,109,388	546,034,811

All the operating segments revenue and non-current assets are generated and based in the Kingdom of Saudi Arabia. There is no customer contributing 10% or more of the total revenue.

20. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Company has letters of credit as of June 30, 2023 amounting to SAR 1.6 million (December 31, 2022: SAR 12.6 million).

There are capital commitments as of June 30, 2023 amounting to SAR 2.0 million (December 31, 2022: SAR 5.9 million) related to property, plant, and equipment.

21. SUBSEQUENT EVENTS

The Board of Directors meeting held on July 17, 2023 (corresponding to 29 Dhu'l Hijjah 1444), based on authority granted by shareholders during their Extraordinary General Assembly meeting dated May 8, 2023G (corresponding to 18 Shawwal 1444 H) to authorize Board of Directors to approve payment of dividends during interim periods of 2023, have approved to distribute cash dividends of SAR 75 million to the company's shareholders for the second half of 2022 amounting to SAR 1.25 per share, or 12.5% of the capital.

No other matter has occurred up to and including the date of the approval of these condensed interim financial statements by the management which could materially affect these financial statements and the related disclosures for the period ended June 30, 2023, other than disclosed above.

22. CHANGE IN COMPARATIVE FIGURES

The prior period's comparative figures have been reclassified to ensure the correct classification and presentation as per IFRS standards. As a result, certain line items have been reclassified in the statement of profit or loss and other comprehensive income, condensed statements of cash flow, and the related notes to the condensed interim financial statement.

23. APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements were approved for issuance by the Board of Directors' on 03 August 2023G (corresponding to 16 M Muharram 1445H).