

ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AND REVIEW REPORT
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED
30 SEPTEMBER 2023

ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY

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كي بي إم جي للاستشارات المهنية

واجهة روشن، 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 consolidated interim financial statements

To the Shareholders of Almarai Company (A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying 30 September 2023 condensed consolidated interim financial statements of Almarai Company ("the Company") and its subsidiaries ("the Group") which comprises:

- the condensed consolidated statement of financial position as at 30 September 2023;
- the condensed consolidated statement of profit or loss for the three-month and nine-month periods ended 30 September 2023;
- the condensed consolidated statement of comprehensive income for the three-month and nine-month periods ended 30 September 2023;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2023;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2023; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated 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 consolidated 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 condensed consolidated 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 September 2023 condensed consolidated interim financial statements of Almarai Company and its subsidiaries 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, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR40,000,000 (previously known as "KPMG Al Fozan & Partners Certified Public Accountants") and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مقفلة، مسجلة في المملكة العربية السعودية، رأس مالها (٤٠٠٠٠٠٠٠٠) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاء محاسبين ومراجعون قانونيون". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المسجلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

		30 September 2023	31 December 2022
	Notes	(Unaudited)	(Audited)
		SAR '000	SAR '000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		20,439,359	20,114,537
Long-term Prepayments		531,969	552,415
Right-of-Use Assets		492,817	498,783
Intangible Assets and Goodwill		1,125,506	1,145,601
Biological Assets		1,542,980	1,564,899
Investments in Associate and Joint Venture	5	6,725	6,312
Derivative Financial Instruments		35,337	35,441
Deferred Tax Assets		27,799	29,674
		24,202,492	23,947,662
Current Assets			
Inventories		6,111,967	5,237,136
Biological Assets		136,511	122,812
Trade Receivables, Prepayments and Other Receivables		3,028,042	2,155,938
Derivative Financial Instruments		18,983	47,899
Equity Investment	5	-	15,607
Time Deposit	6	1,876,250	-
Cash and Cash Equivalents		502,964	546,916
		11,674,717	8,126,308
TOTAL ASSETS		35,877,209	32,073,970
EQUITY AND LIABILITIES			
Share Capital	7	10,000,000	10,000,000
Statutory Reserve		2,761,251	2,761,251
Treasury Shares		(619,820)	(866,602)
Other Reserves		(971,549)	(809,399)
Retained Earnings		6,322,313	5,586,110
Equity Attributable to Equity Holders of the Company		17,492,195	16,671,360
Non-Controlling Interests		13,512	311,505
TOTAL EQUITY		17,505,707	16,982,865
Non-Current Liabilities			
Loans and Borrowings	8	8,705,458	8,448,944
Lease Liabilities		383,738	391,738
Employee Retirement Benefits		1,120,873	1,056,581
Derivative Financial Instruments		64,860	19,901
Deferred Tax Liabilities		105,858	90,489
		10,380,787	10,007,653
Current Liabilities			
Bank Overdrafts		63,053	87,130
Loans and Borrowings	8	3,531,884	1,065,089
Lease Liabilities		75,248	75,092
Zakat		230,239	168,596
Income Tax Payable		39,899	17,503
Trade and Other Payables		3,991,070	3,655,553
Derivative Financial Instruments		59,322	14,489
		7,990,715	5,083,452
TOTAL LIABILITIES		18,371,502	15,091,105
TOTAL EQUITY AND LIABILITIES		35,877,209	32,073,970

The accompanying notes 1 to 13 form an integral part of these Condensed Consolidated Interim Financial Statements, which have been authorised for issue by the Board of Directors on behalf of the Shareholders, and signed on its behalf by:


Danko Maras
Chief Financial Officer


Abdullah Albader
Chief Executive Officer


HH Prince Naif Bin Sultan Bin
Mohammed Bin Saud Al Kabeer
Chairman


ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023

		July - September 2023 (Unaudited) SAR '000	July - September 2022 (Unaudited) SAR '000	January - September 2023 (Unaudited) SAR '000	January - September 2022 (Unaudited) SAR '000
	Notes				
Revenue	10	4,796,934	4,769,121	14,655,847	13,883,025
Cost of Sales		(3,327,482)	(3,280,406)	(10,001,465)	(9,592,788)
Gross Profit		1,469,452	1,488,715	4,654,382	4,290,237
Selling and Distribution Expenses		(725,211)	(709,792)	(2,093,132)	(2,023,528)
General and Administration Expenses		(95,626)	(95,831)	(326,239)	(311,351)
Other Expenses, net		(2,779)	(100,073)	(54,873)	(156,202)
Impairment Loss on Financial Assets		(1,901)	(4,115)	(15,145)	(26,847)
Operating Profit		643,935	578,904	2,164,993	1,772,309
Finance Cost, net		(128,527)	(111,035)	(385,394)	(297,199)
Share of Results of Associate and Joint Venture	5	1,358	189	424	(189)
Profit before Zakat and Income Tax		516,766	468,058	1,780,023	1,474,921
Zakat		(15,519)	12,636	(65,600)	(32,057)
Income Tax		(14,480)	(5,800)	(34,632)	(19,343)
Profit for the period		486,767	474,894	1,679,791	1,423,521
Profit for the period attributable to:					
Shareholders of the Company		486,263	463,172	1,678,404	1,403,989
Non-Controlling Interests		504	11,722	1,387	19,532
		486,767	474,894	1,679,791	1,423,521
Earnings per share (SAR), based on Profit for the period attributable to Shareholders of the Company					
- Basic	9	0.49	0.47	1.71	1.43
- Diluted	9	0.49	0.46	1.68	1.40

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ALMARAI COMPANY
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023

	July - September 2023 (Unaudited) SAR '000	July - September 2022 (Unaudited) SAR '000	January - September 2023 (Unaudited) SAR '000	January - September 2022 (Unaudited) SAR '000
Profit for the period	486,767	474,894	1,679,791	1,423,521
Items that will not be reclassified to profit or loss:				
Change in the Fair Value of Equity Investment through OCI	-	341	4,174	3,768
Items that are or may be reclassified subsequently to profit or loss:				
Foreign Currency Translation Differences	25,674	4,946	(92,334)	(104,870)
Movement in Fair Value on Cash Flow Hedges	(34,472)	(43,779)	(33,074)	(29,662)
Settlement of Cash Flow Hedges transferred to Profit or Loss	(9,219)	(13,591)	(85,738)	(53,478)
Other Comprehensive Loss for the period	(18,017)	(52,083)	(206,972)	(184,242)
Total Comprehensive Income for the period	468,750	422,811	1,472,819	1,239,279
Total Comprehensive Income / (Loss) for the period attributable to:				
Shareholders of the Company	468,750	420,666	1,505,470	1,282,309
Non-Controlling Interests	-	2,145	(32,651)	(43,030)
	468,750	422,811	1,472,819	1,239,279

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ALMARAI COMPANY
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

	Share Capital	Statutory Reserve	Treasury Shares	Other Reserves	Retained Earnings	Equity Attributable to Equity Holders	Non-Controlling Interests	Total Equity
	SAR '000							
Balance as at 1 January 2022 (Audited)	10,000,000	2,585,270	(875,157)	(622,389)	5,031,770	16,119,494	498,919	16,618,413
Profit for the period	-	-	-	-	1,403,989	1,403,989	19,532	1,423,521
Other Comprehensive Loss for the period	-	-	-	(121,680)	-	(121,680)	(62,562)	(184,242)
Total Comprehensive (Loss) / Income	-	-	-	(121,680)	1,403,989	1,282,309	(43,030)	1,239,279
Directors' Remuneration	-	-	-	-	(4,865)	(4,865)	-	(4,865)
Transactions with Owners in their Capacity as Owners								-
Dividend Declared SAR 1 per share	-	-	-	-	(981,841)	(981,841)	-	(981,841)
Share Based Payment Transactions	-	-	-	21,449	-	21,449	-	21,449
Transactions with Non-Controlling Interests	-	-	-	-	-	-	(616)	(616)
Purchase of Additional Stake in MFI	-	-	-	(164,609)	-	(164,609)	(85,391)	(250,000)
Balance as at 30 September 2022 (Unaudited)	10,000,000	2,585,270	(875,157)	(887,229)	5,449,053	16,271,937	369,882	16,641,819
Balance as at 1 January 2023 (Audited)	10,000,000	2,761,251	(866,602)	(809,399)	5,586,110	16,671,360	311,505	16,982,865
Profit for the period	-	-	-	-	1,678,404	1,678,404	1,387	1,679,791
Other Comprehensive Loss for the period	-	-	-	(172,934)	-	(172,934)	(34,038)	(206,972)
Total Comprehensive (Loss) / Income	-	-	-	(172,934)	1,678,404	1,505,470	(32,651)	1,472,819
Directors' Remuneration	-	-	-	-	(4,994)	(4,994)	-	(4,994)
Transactions with Owners in their Capacity as Owners								-
Dividend Declared SAR 1 per share (Refer Note 11)	-	-	-	-	(982,330)	(982,330)	-	(982,330)
Share Based Payment Transactions	-	-	-	24,990	-	24,990	-	24,990
Settlement of Treasury Shares	-	-	246,782	(23,767)	45,123	268,138	-	268,138
Transactions with Non-Controlling Interests	-	-	-	-	-	-	(781)	(781)
Purchase of Additional Stake in IDJ (Refer Note 1)	-	-	-	9,561	-	9,561	(264,561)	(255,000)
Balance as at 30 September 2023 (Unaudited)	10,000,000	2,761,251	(619,820)	(971,549)	6,322,313	17,492,195	13,512	17,505,707

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ALMARAI COMPANY
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

	Notes	January - September 2023 (Unaudited) SAR '000	January - September 2022 (Unaudited) SAR '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		1,679,791	1,423,521
Adjustments for non-cash items:			
Depreciation and Amortisation		1,768,755	1,654,283
Gain Arising from Changes in Fair Value less Cost to Sell of Crops		(5,138)	(26,629)
Provision for Employee Retirement Benefits		109,539	143,965
Provision/ (Reversal) for Inventories and Trade Receivables		11,995	(18,711)
Share Based Payment Expense		24,990	21,449
Finance Cost, net		385,394	297,199
Other Expenses, net		47,291	156,202
Share of Results of Associate and Joint Venture	5	(424)	189
Zakat		65,600	32,057
Income Tax		34,632	19,343
		<u>4,122,425</u>	<u>3,702,868</u>
Changes in working capital:			
Inventories		(940,838)	(702,574)
Biological Assets		(1,463)	(12,201)
Trade Receivables, Prepayments and Other Receivables		(941,274)	(596,800)
Trade and Other Payables		558,751	499,708
Cash Used in Working Capital		<u>(1,324,824)</u>	<u>(811,867)</u>
Employee Retirement Benefits Paid		(44,992)	(41,592)
Zakat and Income Tax Paid		(7,631)	(95,281)
Net Cash from Operating Activities		<u>2,744,978</u>	<u>2,754,128</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in Time Deposit		(1,876,250)	-
Acquisition of Subsidiary, net of Cash Acquired		-	(68,550)
Proceeds from Sale of Equity Investment	5	19,782	32,883
Additions to Property, Plant and Equipment		(1,666,262)	(945,641)
Proceeds from the Disposal of Property, Plant and Equipment		46,126	38,910
Additions to Intangible Assets		(18,627)	(43,793)
Additions to Biological Assets		(676,448)	(651,868)
Proceeds from the Disposal of Biological Assets		174,052	170,784
Net Cash Used in Investing Activities		<u>(3,997,627)</u>	<u>(1,467,275)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Loans and Borrowings		14,426,795	11,803,542
Repayment of Loans and Borrowings		(11,744,340)	(11,518,037)
Purchase of Additional Stake in a Subsidiary	1	(255,000)	(250,000)
Finance Cost Paid		(405,494)	(299,451)
Dividend Paid		(980,576)	(979,566)
Settlement of Treasury Shares		268,138	-
Transactions with Non-Controlling Interests		(781)	(616)
Principal Element of Lease Payments		(87,882)	(81,690)
Interest Element of Lease Payments		(2,856)	(3,645)
Directors' Remuneration		(4,994)	(4,865)
Net Cash From/ (Used in) Financing Activities		<u>1,213,010</u>	<u>(1,334,328)</u>
Net Change in Cash and Cash Equivalents		<u>(39,639)</u>	<u>(47,475)</u>
Cash and Cash Equivalents as at 1 January		546,916	580,913
Effect of Movements in Exchange Rates on Cash and Cash Equivalents		(4,313)	(8,263)
Cash and Cash Equivalents as at 30 September		<u>502,964</u>	<u>525,175</u>

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ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

1. THE COMPANY, ITS SUBSIDIARIES AND ITS BUSINESS DESCRIPTION

Almarai Company (the "Company") is a Saudi Joint Stock Company, which was converted from a limited liability company to a joint stock company on 2 Rajab 1426 A.H. (8 August 2005). The Company initially commenced trading on 19 Dul Hijjah 1411 A.H. (1 July 1991) and operates under Commercial Registration No. 1010084223. Prior to the consolidation of activities in 1991, the core business was conducted between 1977 and 1991 under the Almarai brand name.

The Company's Head Office is located at Exit 7, North Ring Road, Al Izdihar District, P.O. Box 8524, Riyadh 11492, Kingdom of Saudi Arabia ("Saudi Arabia").

The Company and its subsidiaries (together, the "Group") are a major integrated consumer food and beverage Group in the Middle East with leading market share in Saudi Arabia. It also operates in Egypt, Jordan and other Gulf Cooperation Council ("GCC") countries.

Dairy, Fruit Juices and related food business is operated under the "Almarai", "Beyti" and "Teeba" brand names. All raw milk production, Dairy and Fruit Juice product processing and related food product manufacturing activities are undertaken in Saudi Arabia, United Arab Emirates ("UAE"), Egypt and Jordan.

Dairy, Fruit Juices and related food business in Egypt and Jordan operates through International Dairy and Juice Limited ("IDJ"). The Group manages IDJ operations through the following key subsidiaries:

- Jordan - Teeba Investment for Developed Food Processing
- Egypt - International Company for Agricultural Industries Projects (Beyti) (SAE)

Bakery products are manufactured and traded by Western Bakeries Company Limited and Modern Food Industries Company Limited under the brand names "L'usine" and "7 Days", respectively.

Poultry products are manufactured and traded by Hail Agricultural Development Company under the "Alyoum" and "AlBashayer" brand names.

Seafood products are traded under the "Seama" brand name.

Infant Nutrition products are manufactured by Almarai Baby Food Company Limited and traded by International Pediatric Nutrition Company under "Nuralac" and "Evolac" brand names.

In territories where the Group has operations, final consumer packed products are distributed from manufacturing facilities to local distribution centres by the Group's long haul distribution fleet. The distribution centres in GCC countries are managed through subsidiaries in UAE, Oman and Bahrain and an agency agreement in Kuwait and Qatar as follows:

- UAE - Almarai Emirates Company LLC
- Oman - Arabian Planets for Trading and Marketing LLC
- Bahrain - Almarai Company Bahrain W.L.L.
- Kuwait - Al Kharafi Brothers Dairy Products Company Limited
- Qatar - Khalid for Foodstuff and Trading Company

In other territories, where permissible by law, export sales are made through other subsidiaries.

The Group owns and operates arable farms in Argentina and in United States of America (USA), collectively referred to as "Fondomonte", through the following key subsidiaries:

- USA - Fondomonte Holdings North America LLC
- Argentina - Fondomonte South America S.A

The Group's non-GCC business operations under IDJ and Fondomonte are managed through Almarai Investment Holding Company W.L.L., a Company incorporated in the Kingdom of Bahrain.

The Group owns 93.5% shareholding in Pure Breed Poultry Company whose main operations are focused on poultry grandparent farming.

The Group owns 100% shareholding in Premier Foods Industries Company LLC ("Premier Foods") in Saudi Arabia. Premier Foods is primarily engaged in providing value added products (meat and poultry) to the food services industry in the Middle East.

The Group owns 100% shareholding in Bakemart FZ L.L.C and Bakemart L.L.C, based in UAE and Bakemart W.L.L based in Bahrain (collectively "Bakemart"). Bakemart is primarily engaged in frozen bakery business in UAE and Bahrain.

ALMARAI COMPANY
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

1. THE COMPANY, ITS SUBSIDIARIES AND ITS BUSINESS DESCRIPTION (Continued...)

During the current period, the Group received an additional subsidy of Saudi Riyals ("SAR") 114.7 million related to food security measures to secure import of feed materials in KSA which has been recognised in the Condensed Consolidated Statement of Profit or Loss in line with the accounting policy mentioned in Note 5.23 to the last annual Consolidated Financial Statements for the year ended 31 December 2022.

Acquisitions

On 26 Rajab 1444 A.H. (17 February 2023), the Group acquired the remaining share of 48% in IDJ, owned by PepsiCo, for a total consideration of SAR 255 million paid in cash, resulting in an increase in its shareholding from 52% to 100%. Immediately prior to the purchase, the carrying amount of the existing 48% non-controlling interest ('NCI') owned by PepsiCo was SAR 264.6 million. The purchase was accounted for as an equity transaction with owners with no impact on the profit or loss account for the period ended 30 September 2023. The difference of SAR 9.6 million between the carrying value of NCI and consideration paid was recorded under equity as part of other reserves.

Devaluation of Egyptian Currency

During the quarter ended 30 September 2023, the Egyptian Pound recorded an average 20.1% devaluation in rate against the SAR (30 September 2022: 19.5%). As a result, currency translation adjustment has been recorded in relation to the translation of foreign operations in Egypt.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with International Accounting Standard IAS 34 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the Group's last annual Consolidated Financial Statements for the year ended 31 December 2022. These do not include all of the information normally required for a complete set of Consolidated Financial Statements; however, accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since 31 December 2022.

2.2 Preparation of the Financial Statements

These Condensed Consolidated Interim Financial Statements have been prepared on the historical cost basis except for the following material items in the Condensed Consolidated Statement of Financial Position:

- Derivative financial instruments are measured at fair value.
- Equity Investment at Fair Value through Other Comprehensive Income ("FVOCI") is measured at fair value.
- The employee retirement benefit is recognised at the present value of future obligations using the Projected Unit Credit Method.
- Biological Assets, where fair value is reliably measurable, have been measured at fair value.

2.3 Use of Judgments and Estimates

In preparing these Condensed Consolidated Interim Financial Statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual Consolidated Financial Statements.

ALMARAI COMPANY
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

3. FUNCTIONAL AND PRESENTATION CURRENCY

These Condensed Consolidated Interim Financial Statements are presented in Saudi Riyals ("SAR"), which is the Company's functional and Group's presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 New Standards, Amendment to Standards and Interpretations

There are new standards and number of amendments to standards which are effective from 1 January 2023 and have been explained in Group's annual Consolidated Financial Statements, but they do not have a material effect on the Group's Condensed Consolidated Interim Financial Statements.

4.2 Time Deposits

Time Deposits include placements with banks and other short-term highly liquid investments, with original maturities of more than three months but not more than one year from the date of placement. Time deposits are placed with financial institutions with investment grade rating, which are considered to have low credit risk.

Investment income in time deposits is accrued on a time basis, by reference to the principal outstanding and at the applicable effective interest rate.

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5. INVESTMENTS

	Nature	Principal activity	Place of Incorporation	30 September 2023 (Unaudited)	31 December 2022 (Audited)	30 September 2023 (Unaudited)	31 December 2022 (Audited)
				Shareholding Percentage	Shareholding Percentage	SAR '000	SAR '000
Investments in Associate and Joint Venture							
Maria Fondomonte S.A. (Refer Note 5.1)	Associate	Source, Process and Sale of Forage Supplies to the Group	Romania	49%	49%	6,521	6,108
Almarai Company W.L.L.	Joint Venture	Dormant	Qatar	50%	50%	204	204
						<u>6,725</u>	<u>6,312</u>
Equity Investment (Refer Note 5.2)							
Mobile Telecommunications Company Saudi Arabia - ("Zain")				-	0.2%	-	15,607

5.1 Movement in Investment in Associate is as follows:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
	SAR '000	SAR '000
Maria Fondomonte S.A.		
Opening balance	6,108	88,545
Share of Results for the period / year	424	716
Impairment during the period / year (Refer note 5.3)	-	(82,921)
Currency Translation Difference	(11)	(232)
Closing balance	<u>6,521</u>	<u>6,108</u>

5.2 During the period, the Group sold its remaining shareholding in Zain i.e. 1.6 million shares for a cash consideration of SAR 19.8 million.

5.3 On 22 Safar 1441 A.H. (21 October 2019) the Group acquired 49% equity interest in Maria Fondomonte S.A. (the "Associate") to strengthen its dairy herd feed supply. The Group reviewed this investment for impairment on account of breach of certain clauses set forth in the shareholders' agreement (the "Agreement") dated 21 October 2019. Based on fair valuation of Group's equity stake in the Associate, an impairment loss of SAR 82.9 million was recognised in 'Other expenses' in the Consolidated Statement of Profit or Loss during the year ended 31 December 2022. The Group has also initiated legal action under the Agreement to recover its investment in the Associate. There is no further impairment or reversal during the period and the Group will continue to reassess the carrying value of this investment at each reporting period and adjust or reverse the impairment in subsequent periods accordingly.

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6. TIME DEPOSITS

	30 September 2023 (Unaudited) SAR '000	31 December 2022 (Audited) SAR '000
Time Deposit	1,876,250	-
	<u>1,876,250</u>	<u>-</u>

6.1 The average rate on time deposit (Murabaha) for the period was 5.9% with a maturity of less than one year.

7. SHARE CAPITAL

The Company's share capital as at 30 September 2023 amounted to SAR 10 billion (2022: SAR 10 billion), consisting of 1 billion (2022: 1 billion) fully paid and issued shares of SAR 10 each.

8. LOANS AND BORROWINGS

	30 September 2023 (Unaudited) SAR '000	31 December 2022 (Audited) SAR '000
Non-Current Liabilities		
Islamic Banking Facilities (Murabaha)	4,834,167	5,232,256
Saudi Industrial Development Fund ("SIDF")	755,554	875,524
Banking Facilities of Non-GCC Subsidiaries	49,305	89,007
Supranational (Murabaha)	208,981	304,017
Agricultural Development Fund ("ADF")	56,403	75,337
	<u>5,904,410</u>	<u>6,576,141</u>
International Sukuk	2,801,048	1,872,803
	<u>8,705,458</u>	<u>8,448,944</u>
Current Liabilities		
Islamic Banking Facilities (Murabaha)	506,027	506,674
Saudi Industrial Development Fund ("SIDF")	275,306	283,713
Banking Facilities of Non-GCC Subsidiaries	224,933	124,245
Supranational (Murabaha)	93,324	96,636
Agricultural Development Fund ("ADF")	526,387	27,758
	<u>1,625,977</u>	<u>1,039,026</u>
International Sukuk	1,905,907	26,063
	<u>3,531,884</u>	<u>1,065,089</u>
Total Loans and Borrowings	<u>12,237,342</u>	<u>9,514,033</u>

8.1 On 7 Muharram 1445 A.H. (25 July 2023), the Group issued its International Sukuk – Series II amounting to USD 750 million (equivalent SAR 2,814.4 million) out of USD 2,000 million (equivalent SAR 7,505 million) Euro Medium Term Note Programme at a par value of USD 0.2 million each. The International Sukuk – Series II Issuance bears a return of 5.2% per annum payable semi-annually in arrears. The International Sukuk – Series II will be redeemed at par on its date of maturity i.e. 28 Rabi Al Thani 1455 A.H. (25 July 2033).

8.2 The loans contain certain covenants. A future breach of covenants may lead to renegotiation. The covenants are monitored on a monthly basis by management. In case of potential breach, actions are taken by management to ensure compliance. During the period ended 30 September 2023, there has been no non-compliance with any of the covenants.

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9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	July - September 2023 (Unaudited) SAR '000	July - September 2022 (Unaudited) SAR '000	January - September 2023 (Unaudited) SAR '000	January - September 2022 (Unaudited) SAR '000
Profit for the period attributable to the Shareholders of the Company	486,263	463,172	1,678,404	1,403,989
Number of shares '000'				
Weighted average number of ordinary shares for the purpose of basic earnings	985,890	981,831	983,679	981,831
Weighted average number of ordinary shares repurchased	14,110	18,169	16,321	18,169
Weighted average number of ordinary shares for the purpose of diluted earnings	1,000,000	1,000,000	1,000,000	1,000,000
Earnings per Share (SAR), based on Profit for the period attributable to Shareholders of the Company				
- Basic	0.49	0.47	1.71	1.43
- Diluted	0.49	0.46	1.68	1.40

Weighted average number of shares are retrospectively adjusted to reflect the effect of Bonus Shares and are adjusted to take account of Treasury Shares held under the Almarai Employee Equity Participation Program.

10. SEGMENT REPORTING

The Group's principal business activities involve manufacturing and trading of dairy and juice products under Almarai, Beyti and Teeba brands, bakery products under L'usine and 7 Days brands and poultry products under Alyoum and AlBashayer brands. Other activities include Arable, Horticulture, Infant Nutrition, Seafood products and Food Services. Selected financial information as at 30 September 2023 and 30 September 2022, and for the period then ended, categorised by these business segments, is as follows:

Dairy and Juice	Milk production, dairy and fruits juice product processing and distribution
Bakery	Bakery products manufacturing and distribution
Poultry	Poultry products manufacturing and distribution
Other Activities	Arable, Horticulture, Infant Nutrition, Seafood products and Food Services

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10. SEGMENT REPORTING (Continued...)

	Dairy and Juice	Bakery	Poultry	Other Activities	Total
	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000
30 September 2023					
Revenue	9,845,182	1,883,825	2,573,457	1,322,520	15,624,984
Third Party Revenue	9,772,245	1,883,825	2,573,457	426,320	14,655,847
Depreciation and Amortisation	(1,086,823)	(161,517)	(376,315)	(144,100)	(1,768,755)
Share of Results of Associate and Joint Venture	-	-	-	424	424
Profit / (loss) for the period	1,086,696	292,200	350,050	(49,155)	1,679,791
Profit / (loss) attributable to Shareholders of the Company	1,086,084	292,200	349,275	(49,155)	1,678,404
Total Assets	23,762,398	1,997,502	6,921,956	3,195,353	35,877,209
Total Liabilities	16,429,895	467,219	643,186	831,202	18,371,502
31 December 2022					
Total Assets	21,099,251	1,977,247	6,093,457	2,904,015	32,073,970
Total Liabilities	13,319,855	530,389	551,319	689,542	15,091,105
30 September 2022					
Revenue	9,390,973	1,754,700	2,171,597	1,067,668	14,384,938
Third Party Revenue	9,390,973	1,754,700	2,171,597	565,755	13,883,025
Depreciation and Amortisation	(1,057,171)	(161,427)	(295,857)	(139,828)	(1,654,283)
Share of Results of Associate and Joint Venture	-	-	-	(189)	(189)
Impairment during the period	-	-	-	(82,921)	(82,921)
Profit / (loss) for the period	1,060,571	257,800	234,428	(129,278)	1,423,521
Profit / (loss) attributable to Shareholders of the Company	1,039,340	257,800	236,127	(129,278)	1,403,989
Total Assets	21,297,328	2,164,119	5,963,271	3,222,195	32,646,913
Total Liabilities	13,908,864	525,688	652,292	918,250	16,005,094
31 December 2021					
Total Assets	21,287,251	1,998,297	5,548,292	2,920,462	31,754,302
Total Liabilities	13,404,191	443,640	616,534	671,524	15,135,889

The Group's revenue is derived from contracts with customers for sale of consumer products. Control of products is transferred at a point in time and directly sold to customers.

Finance cost and tax expenses are not analysed at segment level, as it is driven by the central treasury and tax functions respectively, which manages these expenses at the Group level.

Segment assets are measured in the same way as in the Financial Statements. These assets are allocated and analysed based on the operations of the segment. The Group's management does not analyse total assets based on its geographical location and therefore country-wise total assets are not disclosed in these Condensed Consolidated Interim Financial Statements.

	Dairy and Juice	Bakery	Poultry	Other Activities	Total
	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000
For the nine-month period ended 30 September 2023					
Saudi Arabia	6,178,201	1,425,728	2,156,625	192,171	9,952,725
Other GCC Countries	2,054,494	422,091	332,146	24,676	2,833,407
Other Countries	1,539,550	36,006	84,686	209,473	1,869,715
Total Third Party Revenue	9,772,245	1,883,825	2,573,457	426,320	14,655,847
For the nine-month period ended 30 September 2022					
Saudi Arabia	5,689,742	1,372,168	1,811,988	142,645	9,016,543
Other GCC Countries	2,001,077	363,449	280,243	24,006	2,668,775
Other Countries	1,700,154	19,083	79,366	399,104	2,197,707
Total Third Party Revenue	9,390,973	1,754,700	2,171,597	565,755	13,883,025

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11. DIVIDENDS

On 20 Ramadan 1444 A.H. (11 April 2023) the shareholders in their Extraordinary General Assembly Meeting approved dividends of SAR 1 billion (SAR 1 per share) for the year ended 31 December 2022 out of which SAR 980.6 million was paid. No dividend was paid relating to treasury shares amounting to SAR 17.7 million.

12. SUBSEQUENT EVENTS

In the opinion of the management, there have been no significant subsequent events since the period-end that require disclosure or adjustment in these Condensed Consolidated Interim Financial Statements.

13. BOARD OF DIRECTORS APPROVAL

These Condensed Consolidated Interim Financial Statements were approved by the Board of Directors on behalf of the Shareholders on 23 Rabi Al Awwal 1445 A.H. (8 October 2023).