

SAUDI MARKETING COMPANY
(FARM SUPERSTORES)
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS AND INDEPENDENT AUDITOR'S
REPORT ON REVIEW OF CONDENSED
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS AND NINE MONTHS
PERIODS ENDED SEPTEMBER 30, 2022**

SAUDI MARKETING COMPANY (FARM SUPERSTORES)

(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2022**

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**INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED
CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

To the Shareholders of
Saudi Marketing Company (Farm Superstores)
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Saudi Marketing Company (Farm Superstores) and its subsidiary (collectively referred to as "the Group") which comprises the condensed consolidated interim statement of financial position as at September 30, 2022, the condensed consolidated interim statement of profit or loss and other comprehensive income for the three months and nine months periods ended September 30, 2022, condensed consolidated interim statements of changes in equity and cash flows for the nine months period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 – ("IAS 34") "Interim Financial Reporting" 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.

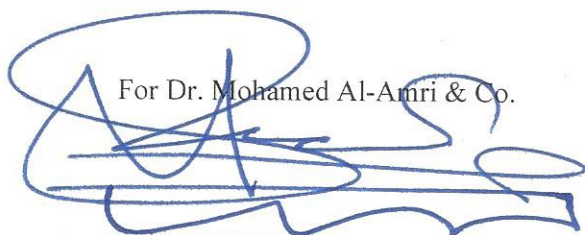
Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of the 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 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.

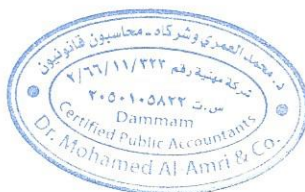
Conclusion

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

For Dr. Mohamed Al-Amri & Co.



Maher Al-Khatieb
Certified Public Accountant
Registration No. 514



November 10, 2022 G
Rabi "II" 16, 1444 H


SAUDI MARKETING COMPANY (FARM SUPERSTORES)
(A Saudi Joint Stock Company)


CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022
(Expressed in Saudi Riyals)

	Notes	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS			
Non-current assets			
Property and equipment	4	647,561,468	646,510,886
Right of use assets		580,797,603	612,884,410
Investment properties		28,839,794	28,979,220
Intangible assets		1,793,139	2,699,776
Investment in equity instrument at fair value through other comprehensive income ("FVOCI")		594,346	731,961
Total non-current assets		1,259,586,350	1,291,806,253
Current assets			
Inventories		892,104,625	850,342,688
Trade receivables		18,841,495	13,206,224
Prepayments and other receivables		31,408,232	41,299,951
Due from related parties	5	3,187,564	5,199,512
Investments at fair value through profit or loss ("FVTPL")		5,622,280	1,906,428
Cash and cash equivalents		25,789,202	17,180,690
Total current assets		976,953,398	929,135,493
TOTAL ASSETS		2,236,539,748	2,220,941,746
EQUITY AND LIABILITIES			
Equity			
Share capital		450,000,000	450,000,000
Statutory reserve		98,837,939	98,837,939
Retained earnings		102,718,197	86,642,837
Fair value reserve of equity instrument at FVOCI		(663,483)	(525,868)
Equity attributable to the shareholders of the Company		650,892,653	634,954,908
Non-controlling interests		70,994	185,263
Total equity		650,963,647	635,140,171
Non-current liabilities			
Loans and borrowings	6	44,058,824	63,029,412
Lease liability		581,120,272	606,494,897
Employees end of service benefits		65,938,756	62,023,094
Total non-current liabilities		691,117,852	731,547,403
Current liabilities			
Trade payables and accruals		349,029,828	345,873,042
Short-term loans	6	448,801,030	420,000,000
Current portion of long term loans and borrowings	6	29,044,117	36,970,588
Current portion of lease liability		66,224,165	47,000,766
Advances against sub lease		922,972	3,132,769
Provision for zakat	7	436,137	1,277,007
Total current liabilities		894,458,249	854,254,172
Total liabilities		1,585,576,101	1,585,801,575
TOTAL EQUITY AND LIABILITIES		2,236,539,748	2,220,941,746

The accompanying notes from 1 to 10 form an integral part of these condensed consolidated interim financial statements.


Chairman
Hazem Fayeze Al Aswad


Chief Executive Officer
Maher Hazem Fayeze Al Aswad

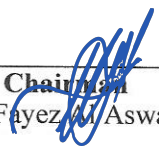

Chief Financial Officer
Salman Ejaz Khawaja Ejaz Ur Rehman

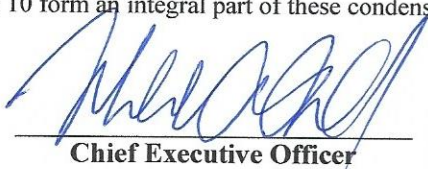
SAUDI MARKETING COMPANY (FARM SUPERSTORES)
(A Saudi Joint Stock Company)

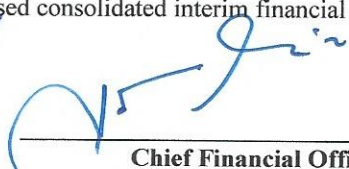
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2022
(Expressed in Saudi Riyals)

	Note	For the three months period ended September 30		For the nine months period ended September 30	
		2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Revenue		430,476,688	394,937,246	1,321,676,281	1,229,440,096
Cost of revenue		(300,905,605)	(274,531,864)	(942,853,521)	(872,102,709)
Gross profit		129,571,083	120,405,382	378,822,760	357,337,387
Selling and distribution expenses		(91,743,731)	(84,387,697)	(265,197,298)	(246,895,458)
General and administrative expenses		(24,168,718)	(25,752,392)	(71,111,929)	(73,022,176)
Profit from operations		13,658,634	10,265,293	42,513,533	37,419,753
Finance cost		(15,309,009)	(12,428,709)	(42,141,951)	(37,071,812)
Other income, net		6,265,450	5,752,821	16,106,912	12,304,364
Profit before zakat		4,615,075	3,589,405	16,478,494	12,652,305
Zakat		(116,660)	(102,093)	(517,403)	(367,035)
NET PROFIT FOR THE PERIOD		4,498,415	3,487,312	15,961,091	12,285,270
Other comprehensive income/ (loss)					
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>					
Fair value (loss)/ gain on re-measurement of equity instrument at FVOCI		(27,431)	(6,757)	(137,615)	99,202
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		4,470,984	3,480,555	15,823,476	12,384,472
Net profit/ (loss) attributable to:					
Shareholders of the Company		4,521,118	3,495,868	16,075,360	12,276,054
Non-controlling interests		(22,703)	(8,556)	(114,269)	9,216
		4,498,415	3,487,312	15,961,091	12,285,270
Total comprehensive income/ (loss) attributable to:					
Shareholders of the Company		4,493,687	3,489,111	15,937,745	12,375,256
Non-controlling interests		(22,703)	(8,556)	(114,269)	9,216
		4,470,984	3,480,555	15,823,476	12,384,472
Earnings per share					
Basic and diluted earnings per share from net profit attributable to shareholders of the Company					
	9	0.10	0.08	0.36	0.27

The accompanying notes from 1 to 10 form an integral part of these condensed consolidated interim financial statements.


Chairman
Hazem Fayezi Al Aswad


Chief Executive Officer
Maher Hazem Fayezi Al Aswad


Chief Financial Officer
Salman Ejaz Khawaja Ejaz Ur Rehman

SAUDI MARKETING COMPANY (FARM SUPERSTORES)

(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY


FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

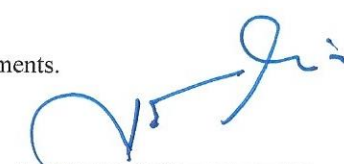
(Expressed in Saudi Riyals)

	-----Attributable to the shareholders of the Company-----						
	Share capital	Statutory reserve	Retained earnings	Fair value reserve of equity instrument at FVOCI	Total	Non-controlling interests	Total equity
At January 01, 2021 (audited)	450,000,000	96,760,548	68,950,422	(902,089)	614,808,881	241,966	615,050,847
Net profit for the period	-	-	12,276,054	-	12,276,054	9,216	12,285,270
Other comprehensive income	-	-	-	99,202	99,202	-	99,202
Total comprehensive income for the period	-	-	12,276,054	99,202	12,375,256	9,216	12,384,472
At September 30, 2021 (unaudited)	450,000,000	96,760,548	81,226,476	(802,887)	627,184,137	251,182	627,435,319
At January 01, 2022 (audited)	450,000,000	98,837,939	86,642,837	(525,868)	634,954,908	185,263	635,140,171
Net profit/ (loss) for the period	-	-	16,075,360	-	16,075,360	(114,269)	15,961,091
Other comprehensive loss	-	-	-	(137,615)	(137,615)	-	(137,615)
Total comprehensive income/ (loss) for the period	-	-	16,075,360	(137,615)	15,937,745	(114,269)	15,823,476
At September 30, 2022 (unaudited)	450,000,000	98,837,939	102,718,197	(663,483)	650,892,653	70,994	650,963,647

The accompanying notes from 1 to 10 form an integral part of these condensed consolidated interim financial statements.


Chairman
 Hazem Fayed Al Aswad


Chief Executive Officer
 Maher Hazem Fayed Al Aswad


Chief Financial Officer
 Salman Ejaz Khawaja Ejaz Ur Rehman

SAUDI MARKETING COMPANY (FARM SUPERSTORES)

(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

(Expressed in Saudi Riyals)

	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before zakat	16,478,494	12,652,305
<i>Adjustments for non –cash items to reconcile profit before zakat to net cash flows</i>		
Depreciation of property and equipment	40,288,812	38,288,601
Depreciation of right of use assets	47,958,919	50,458,738
Depreciation of investment properties	139,426	139,426
Amortisation of intangible assets	931,730	723,476
Provision for employees' end of service benefits	6,883,318	6,507,839
Gain on disposal of property and equipment - net	(167,159)	(128,568)
Provision for slow moving inventories	4,326,554	6,000,000
Finance cost	42,141,951	37,071,812
Unrealised gain on investment at FVTPL	(2,534,345)	-
	156,447,700	151,713,629
Working capital adjustments		
Inventories	(46,088,491)	(16,656,373)
Trade receivables	(5,635,271)	(8,988,671)
Prepayments and other receivables	9,891,719	4,148,492
Due from related parties	2,011,948	(1,963,222)
Trade payable and accruals	3,156,786	(30,770,368)
Advances against sub-lease	(2,209,797)	(2,758,323)
Cash provided by operations	117,574,594	94,725,164
Employees' end of service benefits paid	(2,967,656)	(2,977,141)
Finance cost paid	(14,621,591)	(7,517,898)
Zakat paid	(1,358,273)	(2,325,930)
Net cash generated from operating activities	98,627,074	81,904,195
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(41,976,995)	(26,081,223)
Proceeds from disposal of property and equipment	804,760	199,714
Additions to intangible assets	(25,093)	(6,434)
Purchases of investments at FVTPL	(1,181,507)	-
Net cash used in investing activities	(42,378,835)	(25,887,943)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term loans and borrowings	(26,897,059)	(50,416,666)
Proceeds from long term loans and borrowings	-	85,000,000
Net change in short term loans	28,801,030	(31,732,428)
Repayment of lease liability	(49,543,698)	(59,589,833)
Net cash used in financing activities	(47,639,727)	(56,738,927)
Net change in cash and cash equivalents	8,608,512	(722,675)
Cash and cash equivalents at the beginning of the period	17,180,690	16,305,127
Cash and cash equivalents at the end of the period	25,789,202	15,582,452

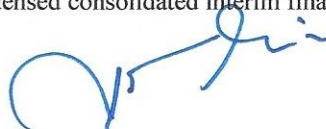
The accompanying notes from 1 to 10 form an integral part of these condensed consolidated interim financial statements.



Chairman
Hazem Fayeze Al Aswad



Chief Executive Officer
Maher Hazem Fayeze Al Aswad



Chief Financial Officer
Salman Ejaz Khawaja Ejaz Ur Rehman

SAUDI MARKETING COMPANY (FARM SUPERSTORES)

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

(Expressed in Saudi Riyals)

1. CORPORATE INFORMATION AND GROUP STRUCTURE

Saudi Marketing Company (Farm Superstores) (the "Company") is a Saudi Joint Stock Company registered in Dammam, Kingdom of Saudi Arabia under Commercial Registration number 2050006430 dated Muharram 2, 1399H (corresponding to December 03, 1978). The Company's registered office is P.O. Box 4605, Dammam 31412, Kingdom of Saudi Arabia. The Company operates through the branches. The financial results of those branches are included in these condensed consolidated interim financial statements.

As of the reporting date, the Company has a following subsidiary (collectively referred to as the "Group"):

Subsidiary name	Country of incorporation	Effective ownership interest (%)		
		September 30, 2022 (Unaudited)	December 31, 2021 (Audited)	September 30, 2021 (Unaudited)
Pure Springs Agencies & Trading Company Ltd.	Saudi Arabia	90	90	90

The subsidiary is engaged in managing and operating coffee shops.

The Group is engaged in the following activities:

- Wholesale and retail of foodstuff, household consumables, toys, textiles and stationary;
- Marketing services on behalf of third parties and managing and operating bakeries;
- Managing and operating restaurants and coffee shops and providing fast food items and cold and hot beverages;
- Establishment, operation and maintenance of amusement centres.

2. BASIS OF PREPARATION AND BASIS OF MEASUREMENT

2.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These condensed consolidated interim financial statements do not include all the information and disclosures required in annual consolidated financial statements and therefore, should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2021.

The methods of computation and accounting policies adopted in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2021.

The significant judgements made by management in applying the Group's key sources of estimation uncertainty are similar to those described in the Group's annual consolidated financial statements for the year ended December 31, 2021.

SAUDI MARKETING COMPANY (FARM SUPERSTORES)

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

(Expressed in Saudi Riyals)

2. BASIS OF PREPARATION AND BASIS OF MEASUREMENT (Continued)

2.2 Basis of measurement

These condensed consolidated interim financial statements have been prepared using the accruals basis of accounting under the historical cost convention, except for:

- The remeasurement of equity instruments at FVOCI and at FVTPL which are measured at fair values, and;
- Employees end of service benefits that have been measured at the present value using Projected Unit Credit method.

As of September 30, 2022 and December 31, 2021, the carrying values of the financial assets and financial liabilities approximate to their fair values. Investment in equity instruments at FVOCI and FVTPL are determined at level 1 of the fair value hierarchy.

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

2.3 New accounting standards, interpretations and amendments

A number of amendments to existing standards, as explained in the Group's annual consolidated financial statements for the year ended December 31, 2021, became effective from January 1, 2022 but these do not have a material effect on these condensed consolidated interim financial statements of the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

SAUDI MARKETING COMPANY (FARM SUPERSTORES)

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

(Expressed in Saudi Riyals)

3. SEGMENT INFORMATION**Operating segments**

For management purposes, the Group is organized into business units based on its products and services and has three reportable segments, as follows:

- a) The retail segment- this segment includes sale of goods to customers commonly at the store checkout for the sales via the Group's stores.
- b) The household segment- this segment includes sale of goods to the wholesale customers.
- c) The entertainment service segment- this segment includes services provided by operating kids play grounds "Adventure World".

All of the Group's operations are located in the Kingdom of Saudi Arabia. The selected information for each operating segment for the period ended September 30, 2022 and September 30, 2021 are as follows:

Period ended September 30, 2022 (unaudited)	Retail	Household	Entertainment services	Total
Revenue	1,272,549,755	6,123,108	43,003,418	1,321,676,281
Profit from operations	26,078,936	1,126,094	15,308,503	42,513,533
Net profit/ (loss) for the period attributable to shareholders	15,837,667	(6,418,165)	6,655,858	16,075,360
Total non-current assets	1,137,487,978	272,975	121,825,397	1,259,586,350
Total assets	2,114,441,376	272,975	121,825,397	2,236,539,748
Total liabilities	1,544,781,158	-	40,794,943	1,585,576,101

Period ended September 30, 2021 (unaudited)	Retail	Household	Entertainment services	Total
Revenue	1,198,138,367	6,445,512	24,856,217	1,229,440,096
Profit/ (loss) from operations	32,863,185	(26,414)	4,582,982	37,419,753
Net profit/ (loss) for the period attributable to shareholders	14,085,948	(4,200,172)	2,390,278	12,276,054
Total non-current assets	1,208,548,399	347,185	115,187,644	1,324,083,228
Total assets	2,125,240,568	347,185	115,187,644	2,240,775,397
Total liabilities	1,569,768,202	-	43,571,876	1,613,340,078

SAUDI MARKETING COMPANY (FARM SUPERSTORES)

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

(Expressed in Saudi Riyals)

4. PROPERTY AND EQUIPMENT

During the nine months period ended September 30, 2022, the Group purchased property and equipment with a cost of SR 41.98 million (September 30, 2021: SR 26.08 million) and disposed-off assets with a cost of SR 2.08 million (September 30, 2021: SR. 0.7 million). The depreciation charge for the nine months period ended September 30, 2022 was amounted to SR 40.3 million (September 30, 2021: SR 38.3 million).

5. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include shareholders, key management personnel and the entities controlled, jointly controlled or significantly influenced by such parties and entities having common directorship.

The significant transactions with related parties have been disclosed below:

Related parties	Relationship	Nature of transactions	For the nine months period ended September 30,	
			2022 (Unaudited)	2021 (Unaudited)
Al Karam Restaurant	Common directorship	Sales	175,440	328,607
		Collections	(534,007)	(150,000)
Al Aswad Trading and Contracting Company	Common directorship	Rental and advances paid	(3,733,653)	(2,830,738)
		Rental income	2,080,272	5,242,105
		Purchases	-	(626,752)
Al Aswad Trading Company	Common directorship	Purchases	2,071,821	1,253,181
		Gondola, rental income and Sales	(169,822)	(101,529)
		Payments	(1,813,159)	(1,149,428)
Space Travel and Tourism Agency	Common directorship	Purchases	1,201,196	589,864
		Payments	(1,179,176)	(628,383)

Amounts due from related parties

Related parties	Balances as at	
	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Al Aswad Trading and Contracting Company	2,668,697	4,322,078
Al Karam Restaurant	128,567	487,134
Al- Aswad for Real Estate Services Company	390,300	390,300
	3,187,564	5,199,512

SAUDI MARKETING COMPANY (FARM SUPERSTORES)

A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

(Expressed in Saudi Riyals)

5. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)**Amounts due to related parties presented under trade payables and accruals**

	Balances as at	
	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Related parties		
Al Aswad Trading Company	382,085	293,245
Space Travel and Tourism Agency	22,020	-
Al Aswad Trading and Contracting- Electromechanical	990	990
	405,095	294,235

Pricing policies and terms of payments for the above transactions have been approved by the Group's management.

Remuneration of key management personnel:

The remuneration of key management personnel was as follows:

	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
Short term benefits	2,892,188	2,052,067
End of service benefits	176,640	164,100
Board of Directors' remuneration	337,500	337,500
	3,406,328	2,553,667

6. LOANS AND BORROWINGS

		September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Term loans - non-current portion	6.1	44,058,824	63,029,412
- current portion	6.1	29,044,117	36,970,588
		73,102,941	100,000,000
Short term loans	6.2	448,801,030	420,000,000
		521,903,971	520,000,000

SAUDI MARKETING COMPANY (FARM SUPERSTORES)

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

(Expressed in Saudi Riyals)

6. LOANS AND BORROWINGS (Continued)

6.1 Term loans

Various long term loans facilities have been obtained from local commercial banks which are secured by promissory notes. These long term loan facilities carry financial charges at normal commercial rates.

In 2021, the Group obtained two new loan facilities from a local commercial bank amounted to SR 54 million and SR 31 million with final maturity dates in 2025 and 2026 respectively. These loans are subject to mark-up at SIBOR plus margin and are secured by promissory notes.

The loan agreements include covenants which among other things, require certain financial ratios to be maintained.

6.2 Short term loans

These facilities have been obtained from local commercial banks and comprise of short term loans with maturities of less than one year. The short term facilities are secured by promissory notes. The short term facilities carry financial charges at normal commercial rates.

7. ZAKAT

Status of assessments

The Company has finalized its Zakat assessments for years from 2009 to 2012 with the Zakat, Tax and Customs Authority (ZATCA). The declarations / returns for the years from 2013 to 2021 have been submitted to ZATCA.

During 2020, ZATCA raised assessments of Zakat for the years from 2014 to 2018 claiming additional Zakat liability which was initially SR 15.6 million and then reduced to SR 13.5 million. Further, in 2020, the Company also received an assessment of VAT for the years 2018 and 2019 amounted to SR 35.5 million excluding penalties.

In 2021, the Company received another Zakat assessment for the years 2019 and 2020 claiming additional Zakat liability aggregated to SR 21 million. In addition, the Company also received assessment for excise tax for the years 2017 to 2021 claiming additional tax liability of SR 0.6 million.

The Company, with an assistance of an external consultant, has filed its appeals against these assessments within the statutory timelines and all of these cases have been escalated to the General Secretariat of Zakat Tax and Customs Committees (GSTC).

On April 12, 2022, the GSTC has issued decision to reduce the amount of VAT liability from SR 35.5 million to SR 4.1 million excluding penalties for which the management has re-appealed. Further, on May 18, 2022, the GSTC has issued decision to reduce the amount of Zakat liability from SR 13.5 million to SR 2.7 million (related to the years from 2014 to 2018) for which the management has already re-appealed.

During October 2022, GSTC has rejected the Company's position against the zakat assessment for the years 2019 and 2020. The management is in the process of re-appealing against aforesaid zakat assessment.

Based on the opinion of the external consultant, the Company has strong grounds to defend and thereby, management is not expecting a material liability on these matters.

Pure Springs Agencies and Trading Company Ltd. obtained its final assessments up to 2008. The declarations for years from 2009 to 2021 have been submitted to ZATCA.

8. CONTINGENCIES AND COMMITMENTS

The Group's bankers have issued payment guarantees, on behalf of the Group, amounted to SR 39.88 million (December 31, 2021: SR 40.19 million) and letter of credits amounted to SR 2.32 million (December 31, 2021: SR 0.43 million).

SAUDI MARKETING COMPANY (FARM SUPERSTORES)

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

(Expressed in Saudi Riyals)

9. EARNINGS PER SHARE

Considering that Group does not have any dilutive instruments as of September 30, 2022 and 2021, diluted earnings per share was the same as basic earnings per share.

	Three months period ended September 30, 2022		Nine months period ended September 30, 2022	
	(Unaudited)	2021 (Unaudited)	(Unaudited)	2021 (Unaudited)
Net profit attributable to the shareholders of the Company	4,521,118	3,495,868	16,075,360	12,276,054
Weighted average number of ordinary shares outstanding	45,000,000	45,000,000	45,000,000	45,000,000
Basic and diluted earnings per share	0.10	0.08	0.36	0.27

10. APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved by the Board of Directors on November 9, 2022 G.