

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
(UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2023
with

INDEPENDENT AUDITOR'S REVIEW REPORT

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-month and nine-month periods ended 30 September 2023

Index	Page
Independent auditor's report on review of condensed consolidated interim financial statements	1-2
Condensed consolidated statement of financial position as at 30 September 2023	3
Condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2023	4-5
Condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2023	6-7
Condensed consolidated statement of cash flows for the nine-month period ended 30 September 2023	8
Notes to the condensed consolidated interim financial statements for the nine-month period ended 30 September 2023	9-34



KPMG Professional Services

Zahran Business Center
Prince Sultan Street
P. O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية

مركز زهران للأعمال
شارع الأمير سلطان
ص. ب. 55078
جدة 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

Independent auditor's report on review of condensed consolidated interim financial statements To the Shareholders of BinDawood Holding Company

Introduction

We have reviewed the accompanying 30 September 2023 condensed consolidated interim financial statements of BinDawood Holding 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 and other 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.



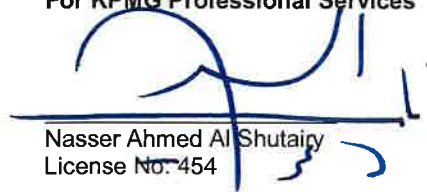
Independent auditor's report on review of condensed consolidated interim financial statements (continued)

To the Shareholders of BinDawood Holding Company

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 BinDawood Holding 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.

For KPMG Professional Services


Nasser Ahmed Al Shutaary
License No. 454



Jeddah, November 12, 2023
Corresponding to Rabia Al Thani 28, 1445H

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	Notes	30 September 2023 (Unaudited)	31 December 2022 (Audited)
ASSETS			
Non-current assets			
Property and equipment		777,185,174	714,432,584
Intangible assets and goodwill	6	254,592,892	266,005,259
Right-of-use assets	7	1,972,043,905	1,985,799,777
Total non-current assets		3,003,821,971	2,966,237,620
Current assets			
Inventories		844,085,379	877,334,562
Trade and other receivables		397,863,079	371,894,437
Due from related parties	8	50,223	40,209,729
Prepayments and advances		95,332,357	76,587,251
Cash and cash equivalents	9	625,962,751	509,251,728
Total current assets		1,963,293,789	1,875,277,707
Total assets		4,967,115,760	4,841,515,327
EQUITY AND LIABILITIES			
Equity			
Share capital	10	1,143,000,000	1,143,000,000
Statutory reserve	12	—	123,181,060
Foreign currency translation reserve		6,084,876	6,732,130
Other reserves		(25,566,558)	(19,057,763)
Retained earnings		265,777,705	101,200,210
Equity attributable to shareholders of the Company		1,389,296,023	1,355,055,637
Non-controlling interests		59,751,371	65,516,061
Total equity		1,449,047,394	1,420,571,698
Non-current liabilities			
Employees' end of service benefits		119,126,304	109,004,972
Lease liabilities - non-current portion	7	1,937,011,594	1,979,014,685
Total non-current liabilities		2,056,137,898	2,088,019,657
Current liabilities			
Due to related parties	8	8,280,658	7,667,609
Trade payables, accruals and other liabilities		1,096,566,287	935,318,563
Unearned income and other payable		16,617,303	48,113,776
Lease liabilities - current portion	7	317,477,628	319,439,893
Zakat liabilities	13	22,988,592	22,384,131
Total current liabilities		1,461,930,468	1,332,923,972
Total liabilities		3,518,068,366	3,420,943,629
Total equity and liabilities		4,967,115,760	4,841,515,327


Chairman
Dr. Abdul Razzaq BinDawood


Managing Director
Khalid BinDawood


Chief Financial Officer
Muhammad Salim Patka

The accompanying notes 1 to 20 form an integral part
of these condensed consolidated interim financial statements.


BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2023

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	Notes	Three-month period ended 30 September		Nine-month period ended 30 September	
		2023	2022	2023	2022
Revenue		1,358,763,879	1,182,546,183	4,151,528,045	3,578,690,742
Cost of revenue		(937,906,450)	(875,379,389)	(2,861,993,580)	(2,509,704,048)
Gross profit		420,857,429	307,166,794	1,289,534,465	1,068,986,694
Selling and distribution expenses		(297,529,486)	(279,452,837)	(880,946,693)	(806,724,258)
General and administration expenses		(69,450,459)	(57,093,649)	(192,470,368)	(157,894,041)
Other operating income		2,178,874	2,873,977	5,857,021	6,698,307
Operating profit / (loss)		56,056,358	(26,505,715)	221,974,425	111,066,702
Other income		4,027,141	3,370,243	13,544,789	30,222,969
Finance cost		(22,707,871)	(20,948,747)	(68,000,964)	(63,201,072)
Profit / (loss) for the period before Zakat		37,375,628	(44,084,219)	167,518,250	78,088,599
Zakat	13	(3,336,805)	(3,924,648)	(15,449,257)	(18,304,040)
Profit / (loss) for the period		34,038,823	(48,008,867)	152,068,993	59,784,559
Other comprehensive loss					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Foreign operations – foreign currency translation differences		(3,530,085)	(6,333,764)	(748,006)	(6,333,764)
Total comprehensive income / (loss) for the period		30,508,738	(54,342,631)	151,320,987	53,450,795


Chairman
Dr. Abdul Razzaq BinDawood


Managing Director
Khalid BinDawood


Chief Financial Officer
Muhammad Salim Patka

The accompanying notes 1 to 20 form an integral part of these condensed consolidated interim financial statements.

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (UNAUDITED) (continued)**

For the three-month and nine-month periods ended 30 September 2023

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	<u>Notes</u>	Three-month period ended 30 September		Nine-month period ended 30 September	
		2023	2022	2023	2022
Profit / (loss) for the period attributable to:					
Shareholders of the Company		34,909,822	(48,263,760)	155,696,435	59,529,666
Non-controlling interests		(870,999)	254,893	(3,627,442)	254,893
Profit / (loss) for the period		34,038,823	(48,008,867)	152,068,993	59,784,559
Total comprehensive income / (loss) for the period attributable to:					
Shareholders of the Company		31,719,102	(54,449,710)	155,049,181	53,343,716
Non-controlling interests		(1,210,364)	107,079	(3,728,194)	107,079
Total comprehensive income / (loss) for the period		30,508,738	(54,342,631)	151,320,987	53,450,795
Earnings per share attributable to the Shareholders of the Parent Company:					
Basic and diluted	14	0.07	(0.10)	0.31	0.12



Chairman
Dr. Abdul Razzaq BinDawood



Managing Director
Khalid BinDawood



Chief Financial Officer
Muhammad Salim Patka

The accompanying notes 1 to 20 form an integral part
of these condensed consolidated interim financial statements.

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

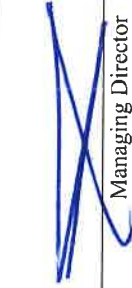
For the nine-month period ended 30 September 2023

(Expressed in Saudi Arabian Riyals unless otherwise stated)

<u>30 September 2023</u>	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Foreign currency translation reserve</u>	<u>Other reserve</u>	<u>Retained earnings</u>	<u>Total</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
Balance at 1 January 2023 (audited)	1,143,000,000	123,181,060	6,732,130	(26,826,901)	101,200,210	1,347,286,499	34,570,764	1,381,857,263
Other changes (refer note 6 & 19)	--	--	--	7,769,138	--	7,769,138	30,945,297	38,714,435
Balance at 1 January 2023 (revised)	1,143,000,000	123,181,060	6,732,130	(19,057,763)	101,200,210	1,355,055,637	65,516,061	1,420,571,698
Profit for the period	--	--	--	--	155,696,435	155,696,435	(3,627,442)	152,068,993
Other comprehensive (loss)	--	--	(647,254)	--	--	(647,254)	(100,752)	(748,006)
Total comprehensive income for the period			(647,254)		155,696,435	155,049,181	(3,728,194)	151,320,987
Transactions with the owners of the Company:								
Dividend (refer note 11)	--	--	--	--	(114,300,000)	(114,300,000)	--	(114,300,000)
Transfer (refer note 12)	--	(123,181,060)	--	--	123,181,060	--	--	--
Changes in ownership interests								
Acquisition of subsidiary with NCI	--	--	--	(6,508,795)	--	(6,508,795)	(2,036,496)	(8,545,291)
Balance as at 30 September 2023 (unaudited)	1,143,000,000	--	6,084,876	(25,566,558)	265,777,705	1,389,296,023	59,751,371	1,449,047,394



Chairman
Dr. Abdul Razzaq BinDawood



Managing Director
Khalid BinDawood

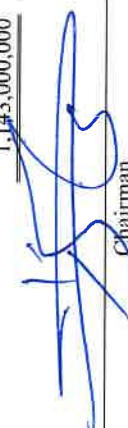
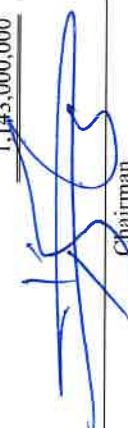






Chief Financial Officer
Muhammad Salim Patka

The accompanying notes 1 to 20 form an integral part of these condensed consolidated interim financial statements.

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
For the nine-month period ended 30 September 2023
(Expressed in Saudi Arabian Riyals unless otherwise stated)

	Share capital	Statutory reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
<u>30 September 2022</u>							
Balance at 1 January 2022 (audited)	1,143,000,000	111,315,577	--	156,825,980	1,411,141,557	--	1,411,141,557
Acquisition of subsidiaries	--	--	(551,519)	--	(551,519)	10,949,818	10,398,299
Profit for the period	--	--	--	59,529,666	59,529,666	254,893	59,784,559
Other comprehensive (loss)	--	--	(6,185,950)	--	(6,185,950)	(147,814)	(6,333,764)
Total comprehensive (loss) / income for the period	--	--	(6,185,950)	59,529,666	53,343,716	107,079	53,450,795
Transactions with shareholders of the Company							
Dividend (refer note 11)	--	--	--	(177,165,000)	(177,165,000)	--	(177,165,000)
Balance as at 30 September 2022 (unaudited)	1,143,000,000	111,315,577	(6,737,469)	39,190,646	1,286,768,754	11,056,897	1,297,825,651
							
	Chairman		Managing Director		Chief Financial Officer		
	Dr. Abdul Razzaq BinDawood		Khalid BinDawood		Muhammad Salim Patka		

The accompanying notes 1 to 20 form an integral part of these condensed consolidated interim financial statements.

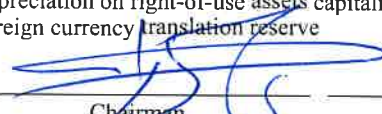
BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

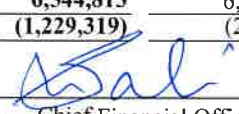
For the nine-month period ended 30 September 2023

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	Notes	2023	2022
Cash flows from operating activities			
Profit for the period		152,068,993	59,784,559
Adjustments for:			
Depreciation on property and equipment		120,553,330	120,543,924
Depreciation on right-of-use assets	7	216,226,663	205,075,005
Amortization of intangible assets		13,556,671	894,456
Finance cost on lease liabilities	7	67,995,863	63,229,270
Impairment loss on trade receivables, net		--	1,413,111
COVID-19 related rent concessions		--	(17,147,322)
Gain on disposal of property and equipment		(348,122)	(469,481)
Provision for employees' end of service benefits		16,057,693	16,766,060
Zakat for the period	13	15,449,257	18,304,040
		<u>601,560,348</u>	<u>468,393,622</u>
Changes in working capital:			
Inventories		33,249,183	(26,183,886)
Trade and other receivables		(25,968,642)	152,128,722
Prepayments and advances		(18,745,106)	(19,069,084)
Due from related parties		40,159,506	60,041,325
Due to related parties		613,049	616,895
Trade payables, accruals and other liabilities		161,247,724	173,719,336
Unearned income and other payable		(31,496,473)	(23,774,603)
Cash generated from operating activities		<u>760,619,589</u>	<u>785,872,327</u>
Zakat paid	13	(14,844,796)	(20,469,981)
Employees' benefits paid		(5,936,361)	(3,461,395)
Net cash from operating activities		<u>739,838,432</u>	<u>761,940,951</u>
Cash flows from investing activities			
Purchase of property and equipment		(186,678,259)	(92,510,920)
Purchase of intangible assets		(1,401,837)	(1,489,112)
Proceeds from disposal of property and equipment		3,696,804	2,096,322
Investment in subsidiaries		(8,786,610)	(236,979,198)
Net cash used in investing activities		<u>(193,169,902)</u>	<u>(328,882,908)</u>
Cash flows from financing activities			
Dividend paid	11	(114,300,000)	(177,165,000)
Payment of lease liabilities	7	(314,428,188)	(268,527,481)
Net cash used in financing activities		<u>(428,728,188)</u>	<u>(445,692,481)</u>
Net increase / (decrease) in cash and cash equivalents		<u>117,940,342</u>	<u>(12,634,438)</u>
Addition in cash and cash equivalents due to acquisition and establishment of subsidiaries		--	11,959,660
Effect of movement in exchange rates on cash and cash equivalents held		(1,229,319)	2,508,926
Cash and cash equivalents at the beginning of the period		<u>509,251,728</u>	<u>484,094,320</u>
Cash and cash equivalents at the end of the period		<u>625,962,751</u>	<u>485,928,468</u>
Supplementary non-cash information:			
Additions to right-of-use assets	7	28,533,528	151,857,112
Additions to lease liabilities	7	28,533,528	151,857,112
Lease modification during the period		173,999,711	--
Depreciation on right-of-use assets capitalized		6,544,813	6,947,548
Foreign currency translation reserve		(1,229,319)	(208,183)


Chairman
Dr. Abdul Razzaq BinDawood


Managing Director
Khalid BinDawood


Chief Financial Officer
Muhammad Salim Patka

The accompanying notes 1 to 20 form an integral part of these condensed consolidated interim financial statements.

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

1. CORPORATE INFORMATION

BinDawood Holding Company (the "Company" or the "Parent Company") is a Saudi Joint Stock Company. The Company was initially registered as a Limited Liability Company in the Kingdom of Saudi Arabia ("KSA") under Commercial Registration number 4031063470 dated 16 Shaban 1432H (corresponding to 17 July 2011). The shareholders of the Company resolved to change the legal status of the Company from "Limited Liability Company" to "Closed Joint Stock Company". The Ministry of Commerce announced the conversion into a Closed Joint Stock Company on 16 Ramadan 1438H (corresponding to 11 June 2017) fully owned by majority Saudi shareholders and minority GCC nationals. During the year 2020, the Company's shares were listed on the Saudi Stock Exchange (Tadawul) in the Kingdom of Saudi Arabia.

The registered office of the Company is located at the following address:

BinDawood Holding Company
Masjid Al Haram Road
Al Azizia District
P.O. Box 5510, Makkah 21955
Kingdom of Saudi Arabia.

The Parent Company's principal objectives are to manage its subsidiaries and provide required support to them. It also includes acquiring the required properties and movable assets for its activities, acquire, lease and utilize industrial and commercial equity rights, patents and brand names, franchise and other abstract rights for its subsidiaries or others.

These accompanying condensed consolidated interim financial statements include the financial statements of the Parent Company and its subsidiaries (refer note 2.3), collectively referred as the "Group". The Group is principally engaged in the following activities:

- Retail trading of foodstuff and household items;
- Operating bakeries and restaurants;
- Providing information technology and communication services;
- Providing delivery, storage and transportation services;
- Acquiring and managing investments; and
- Providing market influencing and digital marketing services

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

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

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

2.1 Statement of compliance (continued)

These condensed consolidated interim financial statements do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards as endorsed in the KSA and should therefore be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended 31 December 2022 ("last annual consolidated financial statements"). However, 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 the last annual consolidated financial statements. In addition, results for the interim period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2023.

2.2 Basis of measurement

These condensed consolidated interim financial statements have been prepared using accrual basis of accounting, going concern concept and under the historical cost basis, except for employees' end of service benefits which are recognised at the present value of future obligation using the Projected Unit Credit Method.

These condensed consolidated interim financial statements are presented in Saudi Riyals (SR), which is also the Parent Company's functional and presentation currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. All amounts have been rounded to the nearest SR, unless otherwise stated.

2.3 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired include, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and asset is not a business. The optional concentration test is met, if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. A gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the condensed consolidated interim statement of profit or loss and other comprehensive income.

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

2.3 Basis of consolidation (continued)

Business combinations (continued)

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in the condensed consolidated interim statement of profit or loss and other comprehensive income.

Basis of consolidation

The condensed consolidated interim financial statements comprise the financial statements of the Parent Company and its subsidiaries as at 30 September 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the condensed consolidated interim financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with the Group's accounting policies.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

2.3 Basis of consolidation (continued)

Basis of consolidation (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, with any resultant gain or loss is recognised in condensed consolidated interim statement of profit or loss and other comprehensive income. Any investment retained is recognised at fair value.

Accounting policies of subsidiaries are aligned, where necessary, to ensure consistency with the policies adopted by the Group. The Parent Company and its subsidiaries have the same reporting periods.

Goodwill

Goodwill represents the difference between the cost of businesses acquired and the Group's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill arising on acquisitions is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment loss on goodwill is not reversed.

Non-controlling interests

Non-controlling interests (NCI) are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into SR at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into SR at the average exchange rate for the period in consideration.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

BINDAWOOD HOLDING COMPANY

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2023

(Expressed in Saudi Arabian Riyals)

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)**2.3 Basis of consolidation (continued)****Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

These condensed consolidated interim financial statements include the financial statements of the Parent Company and the following subsidiaries:

<u>Name</u>	<u>Place of incorporation</u>	<u>Principle field of activity</u>	<u>Effective shareholding of the Parent Company %</u>	
			<u>30 September 2023</u>	<u>31 December 2022</u>
BinDawood Superstores Trading Company (A Limited Liability Company)	Makkah, Saudi Arabia	Engaged in retail trading of foodstuff and household items	100%	100%
Danube Company for Foodstuffs and Commodities (A Limited Liability Company)	Jeddah, Saudi Arabia	Engaged in retail trading of foodstuff and household items	100%	100%
Danube Star for Bakeries and Marketing Company (A Limited Liability Company)	Jeddah, Saudi Arabia	Wholesale of bakery and related products to commercial supermarkets	100%	100%
Future Retail for Information Technology Company (A Limited Liability Company)	Jeddah, Saudi Arabia	Acquiring and managing investments in subsidiaries	100%	100%

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

2.3 Basis of consolidation (continued)

Transactions eliminated on consolidation (continued)

During the year ended 31 December 2022, the Parent Company established and acquired subsidiaries indirectly through Future Retail for Information Technology Company. The details of other subsidiaries are mentioned as below.

<u>Name</u>	<u>Place of incorporation</u>	<u>Principle field of activity</u>	<u>Effective shareholding of the Parent Company %</u>	
			<u>30 September 2023</u>	<u>31 December 2022</u>
International Applications Trading Company (A Limited Liability Company)	Jeddah, Saudi Arabia	Providing information technology and communication services	62%	62%
Future Tech Retail – France	Paris, France	Acquiring and managing investments in subsidiaries	86.53%	86.53%

During the year ended 31 December 2022, International Applications Trading Company acquired the following subsidiaries:

<u>Name</u>	<u>Place of incorporation</u>	<u>Principle field of activity</u>	<u>Effective shareholding of the Parent Company %</u>	
			<u>30 September 2023</u>	<u>31 December 2022</u>
Amjad United Investment and Development Company	Jeddah, Saudi Arabia	Providing delivery services including transportation and storage of goods	62%	62%
First Commercial Applications Company	Jeddah, Saudi Arabia	Providing information technology and communication services	62%	62%
Future Flower Trading Company	Jeddah, Saudi Arabia	Engaged in wholesale and retail of other merchandise	62%	62%

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

2.3 Basis of consolidation (continued)

Transactions eliminated on consolidation (continued)

Future Tech Retail – France initially acquired 80.46% shareholding on 27 July 2022 in Ykone S.A.S (a Limited Liability Company) which is based in Paris, France and is principally engaged in providing market influencer and digital marketing services. On 22 December 2022, Future Tech Retail – France further acquired 18.14% shareholding of Ykone S.A.S. resulting in a total effective shareholding of BinDawood Holding Company of 85.32%. Ykone S.A.S has the following subsidiaries:

<u>Name</u>	<u>Place of incorporation</u>	<u>Principle field of activity</u>	<u>Effective shareholding of the Parent Company %</u>	
			<u>30 September 2023</u>	<u>31 December 2022</u>
Ykone S.A.S (Limited Liability Company)	Paris, France	Engaged in providing market influencer and digital marketing services	85.32%	85.32%
Oddly Enough SAS	Paris, France	Engaged in providing market influencer and digital marketing services	85.32%	85.32%
Ykone Limited	Abu Dhabi, United Arab Emirates	Engaged in providing market influencer and digital marketing services	85.32%	85.32%
Ykone USA Inc.	New York, United States of America	Engaged in providing market influencer and digital marketing services	85.32%	85.32%
Ykone SARL	Geneva, Switzerland	Engaged in providing market influencer and digital marketing services	85.32%	85.32%
Ykone Saudi for Advertisement	Riyadh, Saudi Arabia	Engaged in providing market influencer and digital marketing services	85.32%	85.32%
New Media Agency	Milan, Italy	Engaged in providing market influencer and digital marketing services	56.31%	43.51%
Cover Communications GmbH	Munich, Germany	Engaged in providing market influencer and digital marketing services	57.16%	57.16%
Shanghai Ykone Commerce Consulting Company Limited	Shanghai, China	Engaged in providing market influencer and digital marketing services	85.32%	85.32%
Ykone Asia Limited	Hongkong, China	Engaged in providing market influencing and digital marketing services	53.33%	21.33%

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

2.3 Basis of consolidation (continued)

Transactions eliminated on consolidation (continued)

During the period ended 30 September 2023, BinDawood Holding Company has acquired additional stake of 32% resulting in effective shareholding of 53.33% (December 31, 2022: 21.33%) in Ykone Asia Limited (Hongkong) and acquired additional stake of 12.8% resulting in effective shareholding of 56.31% (December 31, 2022: 43.51%) in New Media Agency (Italy).

2.4 Significant accounting judgements, estimates and assumptions

In preparing these condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets and liabilities, income and expense and accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The Group based its assumptions and estimates on parameters available when the condensed consolidated interim financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The significant judgments exercised 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 for the year ended December 31, 2022. The management will continue to monitor the situation and any changes required will be reflected in future reporting periods.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of calculation adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Company's last annual consolidated financial statements as at and for the year ended 31 December 2022.

4. NEW STANDARDS, INTERPETATON AND AMENDMENTS

a) Standards, interpretations, and amendments issued

This table lists the recent changes to the Standards that are required to be applied by companies with an annual period beginning on 1 January 2023.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

4. NEW STANDARDS, INTERPETATON AND AMENDMENTS (continued)

a) Standards, interpretations, and amendments issued (continued)

<u>Standards, amendments, interpretations</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.	1 January 2023
Amendment to IAS 12- deferred tax related to assets and liabilities arising from a single transaction	These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.	1 January 2023
IFRS 17, 'Insurance contracts', as amended in December 2021	This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.	1 January 2023
International tax reform – pillar two model rules – amendments to IAS 12	The amendments introduce a relief from deferred tax accounting for the global minimum top-up tax under Pillar Two, which applies immediately, and new disclosure requirements, which apply from 31 December 2023. No disclosures are required in interim periods ending on or before 31 December 2023.	23 May 2023

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

b) Standards, interpretations and amendments issued but not yet effective

The standards, interpretations and amendments issued, but not yet effective up to the date of issuance of the condensed consolidated interim financial statements are disclosed below. The Company intends to adopt these standards, where applicable, when they become effective.

<u>Standards, amendments, interpretations</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
Amendments to IAS 1, 'Presentation of financial statements', on classification of liabilities	These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. Note that the IASB has issued a new exposure draft proposing change to this amendment.	1 January 2024
Amendments to IAS 7 and IFRS 7	Supplier finance arrangements	1 January 2024
Amendments to IAS 1	Non-current liabilities with covenants	1 January 2024
Amendments to IFRS 16	Lease liability in a sale and leaseback	1 January 2024
IFRS S1	General requirements for disclosure of sustainability related financial information	1 January 2024
IFRS S2	Climate related disclosures	1 January 2024
Amendments to IAS 21	Lack of exchangeability	1 January 2025
Amendments to IFRS 10 and IAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Ventures	Available for optional adoption/effective date deferred indefinitely

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

4. NEW STANDARDS, INTERPRETATION AND AMENDMENTS (continued)

The standards, interpretations and amendments with effective date of 1 January 2023 do not have any material impact on the Company's condensed consolidated interim financial statements, whereas for other above-mentioned standards, interpretations and amendments, the Group is currently assessing the implications on the Company's condensed consolidated interim financial statements on adoption.

5. SEGMENT INFORMATION

Whilst the Group is engaged in retail trading of foodstuff and household items, operating bakeries and restaurants, providing information technology and communication services, providing delivery, storage and transportation services, acquiring and managing investments and providing market influencing and digital marketing services, the management has concluded that except for retail trading of consumer goods all other lines of businesses are less than 10% of combined revenue, profit or loss and assets of the Group. The management has also concluded that at present more than 90% of the Group's operations are conducted within the Kingdom of Saudi Arabia.

The Group is required to determine and present its operating segments based on the way in which financial information is organised and reported to the chief operating decision-maker (CODM). The CODM has been identified as the Board of Directors, as this makes the key operating decisions of the Group and is responsible for allocating resources and assessing performance.

Key internal reports received by the CODM, primarily the management accounts, focus on the performance of the Group as a whole. The operations of all elements of the business are driven by the retail sales environment and hence have fundamentally the same economic characteristics. All operational decisions made are focused on the performance and growth of the retail outlets and the ability of the business to meet the supply demands of the stores.

The Group has considered the overriding core principles of IFRS 8 'Operating segments' as well as its internal reporting framework, management and operating structure. The Directors' conclusion is that the Group has one operating segment, that of retailing.

Performance is measured by the CODM based on profit before Zakat as reported in the management accounts. Management believes that this measure is the most relevant in evaluating the results of the Group. As such, assets and segment liabilities are neither included in the internal management reports nor provided regularly to the management.

6. INTANGIBLE ASSETS AND GOODWILL

During the year ended December 31, 2022, the Group had indirectly acquired 62% shareholding in International Applications Trading Company ("IATC") and 85.33% shareholding in Ykone S.A.S ("Ykone") which had been accounted for under acquisition method resulting in provisional goodwill in the total amount of SR 223.36 million, subject to the completion of purchase price allocation exercise being conducted by an external consultant.

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

6. INTANGIBLE ASSETS AND GOODWILL (continued)

During the period ended 30 September 2023, the Group in consultation with the external consultant, has completed the purchase price allocation exercise pertaining to the acquisition of IATC (refer note 2 of the condensed consolidated interim financial statements). Consequently, provisional goodwill of SR 104.46 million has been allocated to the fair values of identifiable assets and liabilities resulting in revised goodwill of SR 89.50 million, and intangible assets (customer user base and technology) amounting to SR 24.06 million with definite useful life of eight years, have been recognized and related NCI have been adjusted.

During the period ended 30 September 2023, the Group in consultation with the external consultant, has completed the purchase price allocation exercise pertaining to the acquisition of Ykone S.A.S (refer note 2 of the condensed consolidated interim financial statements). Consequently, provisional goodwill of EUR 29.74 million (equivalent to SR 118.90 million) has been revised to EUR 21.30 (equivalent to SR 86.88 million). The revised goodwill has been allocated to the fair values of identifiable assets and liabilities resulting in final goodwill of EUR 21.30 million (equivalent to SR 86.88 million), and intangible assets (brands, technology – campaign software, and customer relationships) amounting to EUR 13.92 million (equivalent to SR 55.20 million) with definite useful life of ten years, six years and five years respectively, have been recognized and related NCI have been adjusted.

Acquisition accounting of IATC and Ykone was finalized during the period ended September 30, 2023 which resulted in the adjustments to the provisional amounts recorded in the earlier periods. These adjustments are recognized retrospectively, and comparative information was revised which is in line with the requirements of IFRS 3 “Business Combinations”.

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Intangible assets (refer note 6.1)	78,208,875	92,061,664
Goodwill on acquisition of IATC (refer note 6.2)	89,503,807	89,503,807
Goodwill on acquisition of Ykone (refer note 6.2)	86,880,210	84,439,788
	<u>254,592,892</u>	<u>266,005,259</u>

- 6.1** The intangible assets mainly include customer user base, technology, brands and customer relationships.
- 6.2** The goodwill mentioned above is based on fair value of assets and liabilities of Ykone S.A.S and International Applications Trading Company which have been consolidated in the condensed consolidated interim financial statements of the Company for the nine-months period ended 30 September 2023.

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

7.1 Right-of-use assets

The reconciliation and carrying amount of the right-of-use asset is as follows:

	For the nine- month period ended 30 September 2023 (Unaudited)	For the year ended 31 December 2022 (Audited)
Balance at beginning of the period / year	1,985,799,777	2,082,507,784
Additions / acquisitions	28,533,528	176,573,024
Depreciation charge for the period / year	(216,226,663)	(276,211,946)
Derecognition of right-of-use assets	--	(1,895,812)
Lease modifications	173,999,711	4,526,573
Effect of movements in exchange rates	(62,448)	300,154
Balance at end of the period / year	<u>1,972,043,905</u>	<u>1,985,799,777</u>

7.2 Lease liabilities

Movement in lease liabilities over the period is as follows:

	For the nine- month period ended 30 September 2023 (Unaudited)	For the year ended 31 December 2022 (Audited)
Lease liabilities at beginning of the period/year	2,298,454,578	2,374,255,097
Acquisitions through business combinations	--	8,261,688
Additions during the period / year	28,533,528	168,723,161
COVID-19 related rent concessions	--	(57,199,547)
Lease terminated during the period / year	--	(2,039,889)
Lease modification during the period / year	173,999,711	4,526,573
Finance cost on lease liabilities	67,995,863	85,012,579
Payment of lease liabilities	(314,428,188)	(283,437,944)
Effect of movement in exchange rates	(66,270)	352,860
Lease liabilities at end of the period / year	<u>2,254,489,222</u>	<u>2,298,454,578</u>

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

7.2 Lease liabilities (continued)

Lease liabilities have been presented in the condensed consolidated interim statement of financial position as follows:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Lease liabilities – non-current portion	1,937,011,594	1,979,014,685
Lease liabilities – current portion	317,477,628	319,439,893
	<u>2,254,489,222</u>	<u>2,298,454,578</u>

8. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise the shareholders, key management personnel, directors and businesses, which are controlled directly or indirectly or influenced by the shareholders, directors or key management personnel. Management defines affiliates as the entities that are related through common shareholding. The Group enters various transactions with its related parties. Terms and conditions of these transactions are approved by the Board of Directors.

8.1 Key management personnel compensation

The remunerations of directors and other key management personnel are as follows:

<u>Nature of transaction</u>	Transactions for the nine-month period ended 30 September 2023 (Unaudited)	2022 (Unaudited)
Board of Director's remuneration	2,826,011	1,190,917
Salaries and other short-term benefits	36,326,101	36,733,776
Post-employment benefits	1,197,075	1,460,498

As at 30 September 2023, the amount due to key management personnel is SR 0.410 million (due from key management personnel 31 December 2022: SR 16.1 million).

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

8. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

8.2 Related party transactions and balances

The aggregate value of related party transactions and outstanding balances are as follows:

Name	Relationship	Nature of transaction	Transactions for the nine-month period ended		Closing Balance	
			30 September		30 September	31 December
			2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Audited)
Due from related parties:						
BinDawood Trading Company	Affiliate	Shared service fee	744,173	729,580	--	--
Amwaj Real Estate Company	Affiliate	Store leases	34,121,550	33,401,950	--	16,663,475
National Leader for Real Estate Company Limited	Affiliate	Store leases	47,092,500	47,092,500	--	23,546,254
Jumairah Trading Company	Affiliate	Transfer out of goods	334,395	60,982	50,223	--
					50,223	40,209,729

The aggregate value of related party transactions and outstanding balances are as follows:

Name	Relationship	Nature of transaction	Transactions for the nine-month period ended 30 September		Closing Balance	
			2023	2022	30 September 2023	31 December 2022
			(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Due to related parties:						
Safa Company Limited for Household Ware	Affiliate	Purchases of goods	6,514,022	2,985,170	2,649,514	1,625,559
Jumairah Trading Company	Affiliate	Purchases of goods	52,946,301	37,258,794		
		Lease rentals	993,600	1,414,800		
		Shared service fee	847,640	831,020	4,399,046	5,231,362
AYM Marketing Management Company	Affiliate	Loyalty program commission	7,155,784	--	1,232,098	810,688
					8,280,658	7,667,609

As at 30 September 2023, the lease liabilities as disclosed in note 7 include an amount of SR 190.14 million (31 December 2022: SR 265.3 million) which relates to lease arrangements entered by the Group with its related parties.

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

9. CASH AND CASH EQUIVALENTS

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Cash in hand	24,366,955	10,653,083
Cash at banks - current accounts	310,345,796	298,598,645
Short term deposits (refer note 9.1)	291,250,000	200,000,000
	625,962,751	509,251,728

- 9.1** The short-term deposits are under Wakala and Murabaha arrangements (Islamic short-term deposit products) with local and foreign banks to earn profits which is classified in other income. These short-term deposits under cash and cash equivalents are deposits held for maturity period of three months or less. The profit rates on these short-term deposits range from 4.7% to 5.8% per annum (2022: 4.25% to 4.85% per annum).

10. SHARE CAPITAL

As at 30 September 2023, the share capital of the Parent Company amounts to SR 1.14 billion consisting of 1.14 billion shares of SR 1 each (31 December 2022: SR 1.14 billion consists of 114.3 million shares of SR 10 each).

During the period ended 30 September 2023, the Board of Directors of the Parent Company through a resolution dated 7 May 2023 corresponding to 17 Shawwal 1444H, recommended shareholders to split the nominal value of each of the shares from SR 10 to SR 1 per share while keeping the total share capital unchanged. The shareholders through Extraordinary General Assembly Meeting held on 22 June 2023 corresponding to 4 Dhul Hijjah, 1444H approved the recommendation and accordingly the number of the total shares of the Parent Company has increased from 114,300,000 shares to 1,143,000,000 shares without any impact on the effective shareholding interest.

11. DIVIDEND

During the period ended 30 September 2023, the Board of Directors of the Company approved an interim dividend of SR 114.3 million, with respect to the financial results for the period ended 30 June 2023 (31 December 2022: SR 177.17 million). Subsequent to the period ended 30 September 2023, the Board of Directors have approved an interim dividend of SR 114.3 million.

12. STATUTORY RESERVE

During the period ended 30 September 2023, the shareholders of the Company through Extraordinary General Assembly Meeting held on 22 June 2023 corresponding to 4 Dhul Hijjah 1444H, approved to transfer the statutory reserve to retained earnings.

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

13. ZAKAT AND TAX

	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Zakat for the year (note 13.1)	14,557,057	18,304,040
Tax on profits of foreign subsidiaries	892,200	--
	<u>15,449,257</u>	<u>18,304,040</u>

13.1 Charge for the period

The Zakat charge consists of:

	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Provision for the period	<u>14,557,057</u>	<u>18,304,040</u>

The movement in the Zakat and tax provision during the period / year is as follows:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Balance at beginning of the period / year	22,384,131	19,482,391
Acquisition through business combinations	--	20,936
Charge for the period / year	15,449,257	23,350,785
Payments during the period / year	<u>(14,844,796)</u>	<u>(20,469,981)</u>
At end of the period / year	<u>22,988,592</u>	<u>22,384,131</u>

13.2 Status of assessments

The subsidiaries along with the Parent Company have filed its Zakat declaration on a standalone basis until the year ended 31 December 2015. From 2016 onwards, the Parent Company started filing the consolidated Zakat declarations for all wholly owned subsidiaries. Consolidated Zakat declaration together with the information declarations for wholly owned subsidiaries for the years ended 31 December 2016 through 2022 have already been submitted. The Parent Company has also obtained a Zakat certificate valid until 30 April 2024.

The assessments of the Parent Company have been finalized until 31 December 2018 with the Zakat, Tax and Customs Authority (ZATCA) through Fast-Track Assessment (FTA) initiative. However, the ZATCA has issued an assessment for the year ended 31 December 2016 with additional Zakat liabilities of SR 8.6 million. The Company filed an appeal against the ZATCA's assessment with the Tax Violations and Disputes Resolution Committee (TVDRC) and the TVDRC has partially agreed with the Company's contentions, resulting in a reduction of Zakat liabilities for the year 2016 to SR 5.8 million. The Company has then filed an appeal against the TVDRC's decision with the Tax Violations and Disputes Appellate Committee (TVDAC) within the statutory deadline. The Company is expecting a favorable outcome since the assessment for this year has been finalized under the FTA initiative.

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

13. ZAKAT AND TAX (continued)

13.2 Status of assessments (continued)

The ZATCA has also issued assessments for the years ended 31 December 2017 and 2018 with additional Zakat liabilities of SR 22 million. The Company submitted an objection against the assessment which the ZATCA has partially accepted, resulting in a reduction of Zakat liabilities to SR 13.6 million. The Company has then escalated its appeals against the ZATCA's assessments for the years 2017 and 2018 with the TVDRC and is still awaiting the ZATCA's viewpoint on the appeal.

All assessments of Parent as well as that of the subsidiaries are finalized with the ZATCA until 31 December 2015.

14. EARNINGS PER SHARE

The calculation of basic earnings per share has been based on the following profit attributable to the shareholders and weighted-average number of ordinary shares outstanding (refer note 10).

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit / (loss) for the period	34,038,823	(48,008,867)	152,068,993	59,784,559
Weighted average number of ordinary shares for basic and diluted EPS	488,372,727	488,372,727	488,372,727	488,372,727
Earnings / (loss) per share – basic and diluted	0.07	(0.10)	0.31	0.12

15. COMMITMENTS AND CONTINGENT LIABILITIES

- The Group has outstanding letters of credit to import goods amounting to SR 23.5 million as at 30 September 2023 (31 December 2022: SR 33.4 million) and outstanding letters of guarantee amounting to SR 4.9 million as at 30 September 2023 (31 December 2022: SR 4.06 million).
- As at 30 September 2023, the Group has future capital commitments amounting to SR 15.09 million (31 December 2022: SR 18.5 million). Further the Group has annual lease commitments totaling SR 7.1 million as at 30 September 2023 (31 December 2022: SR 6.4 million) relating to branch rentals.
- The Parent Company and its subsidiaries namely BinDawood Superstores Trading Company, Danube Company for Foodstuffs and Commodities and Danube Star for Bakeries and Marketing Company have provided corporate guarantees amounting to SR 203.1 million at 30 September 2023 (31 December 2022: SR 253.1 million) to local banks in respect of banking facilities obtained within the Group.

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

15. COMMITMENTS AND CONTINGENT LIABILITIES (continued)

- d) During the year 2021, a Plaintiff filed a legal case against one of subsidiaries of the Group claiming compensation pertaining to infringement of a Patent which was dismissed by the Court of First Instance in the first hearing. The Plaintiff filed an appeal with the Court of Appeal, which reversed the initial verdict of the Court of First Instance and requested for reopening the case. First session after the reversal of initial verdict took place before the Court of First Hearing on 9 November 2021. Subsequent to the year end on 24 January 2022, Jeddah Commercial Appeals Court ruled the case brought by Plaintiff pertaining to its claim of compensation as inadmissible. The Plaintiff then appealed to the Supreme Court to revoke the decision of the Third Appellate Circuit at the Commercial Court in Jeddah dated 29 January 2022 in favour of the subsidiary of BinDawood Holding Company. The first court session was held on 22 November 2022 before the Second Appellate Circuit at the Commercial Court in Jeddah. The Circuit referred that a decision by the Supreme Court was issued on 03 November 2022 which stated that the judgment issued by the Third Appellate Circuit of the Commercial Court in Jeddah shall be returned to the Court. On 13 June 2023 corresponding to 24 Dhul Qadah 1444H the case was rejected by the Jeddah Commercial Court based on the issuance of judicial decision by the Second Appellate Circuit at Jeddah Commercial Court.

16. FINANCIAL INSTRUMENTS – FAIR VALUES

Accounting classification and fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

16. FINANCIAL INSTRUMENTS – FAIR VALUES (continued)

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

As at 30 September 2023 and 31 December 2022, the fair values of the Group's financial instruments are estimated to approximate their carrying values.

17. FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise of due to related parties and trade payables, accruals and other liabilities. The Group has financial assets such as trade receivables, other receivables and cash and bank balances. The Group's financial assets and liabilities arise directly from its operations.

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Credit risk

Credit risk is the risk that one party will fail to discharge an obligation and will cause the other part to incur a financial loss. The Group's exposure to credit risk on its bank balances, trade and other receivables and due from related parties is as follows:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Bank balances	310,345,796	298,598,645
Short-term deposits	291,250,000	200,000,000
Due from related parties	50,223	40,209,729
Trade and other receivables	397,863,079	371,894,437
	999,509,098	910,702,811

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

17. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. At 30 September 2023, trade receivables are stated at their estimated realizable values. There are two major customers that accounts for 67.90% (31 December 2022: 44.6%) of the total receivable balance.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale, retail or end-user customer, their geographic location, industry, trading history with the Group and existence of previous financial difficulties. Before accepting any credit customers, the Group has its own credit policy to assess the potential customer's credit quality and defines the credit limits for the new customer. These policies are reviewed and updated regularly. Moreover, the Group seeks to manage the credit risk by monitoring outstanding receivables on an ongoing basis.

Cash and cash equivalents

The Group held cash and cash equivalents amounting to SR 625.9 million at 30 September 2023 (31 December 2022: SR 498.6 million) with bank and financial institution counterparties. The Group considers that its cash and cash equivalents have immaterial credit risk based on the external credit ratings of the counterparties.

Due from related parties

The Group has receivable from the related parties for the rent concessions receivable for the properties on finance lease. The management believes that there is low credit risk for the rent concession receivable as the balance have been received subsequent to the year end.

Guarantees

The Group has provided financial corporate guarantees to its affiliates. At 30 September 2023 and 31 December 2022, the Company has issued corporate guarantees to certain banks in respect of credit facilities granted to three affiliates (note 15).

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows related to trade and other payables. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available by way of cash and cash equivalents and/or committed credit facilities to meet any future commitments.

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

17. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

Exposure to Liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.

<u>30 September 2023</u>	<u>Carrying amount</u>	<u>Contractual cash flows</u>			<u>Total</u>
		<u>Less than one year</u>	<u>Within one to five years</u>	<u>More than five years</u>	
Trade payables, accruals and other liabilities	1,096,566,287	1,096,566,287	--	--	1,096,566,287
Lease liabilities	2,254,489,222	365,723,940	927,652,727	1,496,350,145	2,789,726,812
Due to related parties	8,280,658	8,280,658	--	--	8,280,658
Other payable	15,270,603	15,270,603	--	--	15,270,603
	3,374,606,770	1,485,841,488	927,652,727	1,496,350,145	3,909,844,360

<u>31 December 2022</u>	<u>Carrying amount</u>	<u>Contractual cash flows</u>			<u>Total</u>
		<u>Less than one year</u>	<u>Within one to five years</u>	<u>More than five years</u>	
Trade payables, accruals and other liabilities	935,318,563	935,318,563	--	--	935,318,563
Lease liabilities	2,298,454,578	353,011,963	981,527,673	1,465,770,576	2,800,310,212
Due to related parties	7,667,609	7,667,609	--	--	7,667,609
Other payable	46,946,676	46,946,676	--	--	46,946,676
	3,288,387,426	1,342,944,811	981,527,673	1,465,770,576	3,790,243,060

Market risk

Market risk is the risk that changes in market prices - e.g., foreign exchange rates, interest rates and equity prices - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Market risk comprises three types of risk: commission rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The Group is not exposed to other price risks.

Commission rate risk

Commission rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing commission rates on the Group's financial position and cash flows. The Group manages the commission rate risk by regularly monitoring the commission rate profiles of its commission bearing financial instruments. There are no commission bearing financial assets and liabilities at the reporting date and therefore there is no commission rate sensitivity at the reporting date.

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

17. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of Group companies. The functional currency of most of the Group subsidiaries is primarily the Saudi Riyal. The Group did not undertake significant transactions in currencies other than Saudi Riyals, Euros and US Dollars. Trade payables and accruals include an amount of SR 37.7 million (31 December 2022: SR 35.9 million) due in Euros. As the Saudi Riyal is pegged to the US Dollar, therefore currency denominated in US Dollar is not considered to represent significant foreign currency risk.

A reasonably possible strengthening (weakening) of the euro against all other currencies at 30 September 2023 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

18. CAPITAL MANAGEMENT

The Group's objective when managing capital is to safeguard its ability to continue as a going concern so that it can provide returns for its shareholders and benefits for other stakeholder; and at the same time maintain a strong capital base to support the sustained development of its businesses.

The Group manages its capital structure by monitoring return on net assets and makes adjustments in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares. The Group also manages capital by using gearing ratio, which is total liabilities less cash and cash equivalents over equity.

The gearing ratio as at 30 September 2023 and 31 December 2022 is as follows:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Total liabilities	3,518,068,366	3,420,943,629
Less: cash and cash equivalents	(625,962,751)	(509,251,728)
Adjusted net debt	2,892,105,615	2,911,691,901
Total equity	1,449,047,394	1,420,571,698
Adjusted net debt to equity ratio	1.99	2.05

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

19. ESTABLISHMENT AND ACQUISITION OF SUBSIDIARIES

Future Retail for Information and Technology

As disclosed in note 2, during the year ended December 31, 2022, the Group had acquired Future Retail for Information Technology Company, a Limited Liability Company (Future Retail), with a share capital of SR 5 million. Future Retail has its head office in Jeddah and specializes in providing solutions and services.

Future Tech Retail France

During the year ended December 31, 2022, Future Retail for Information and Technology ("FRIT") has established a 100% effectively owned foreign subsidiary i.e. Future Tech Retail France ("FTR France") with a share capital amounting to EUR 5,000. The registered office of FTR France is located at 12 Dauphine, 75001 Paris. The main purpose of FTR France is the acquisition and management of companies. The legal formalities related to the establishment were completed on 21 July 2022.

International Applications Trading Company

During the year ended December 31, 2022, Future Retail entered into a Sale and Purchase Agreement ("SPA") with Amwaj Real Estate Company Limited and First Commercial Applications Company (related parties and collectively referred here as "the Parties") to purchase 62% shares in International Applications Trading Company ("IATC"), a Limited Liability Company registered in the Kingdom of Saudi Arabia, on 24 March 2022 corresponding to 21 Shaban 1443H. The initial purchase consideration for the acquisition amounts to SR 107.24 million adjusted by the amount of net debt at the closing date, as per the Share Purchase Agreement (SPA). In addition, there were further contingent variable considerations as per the terms and conditions set out in the SPA, however, as at 1 January 2023 a waiver letter was signed by the Parties to waive these contingent variable considerations.

During the year ended December 31, 2022, IATC also acquired 100% of shares in Amjad United Investment and Development Company ("Amjad United"), a Limited Liability Company registered in the Kingdom of Saudi Arabia. The legal formalities related to the acquisition of IATC and its subsidiary were completed on 31 July 2022.

The fair values of assets and liabilities disclosed below have been determined by performing purchase price allocation study using the carrying values appearing in the books of the acquiree. Management has appointed an independent firm to carry out fair valuation of identifiable assets and liabilities through the process of allocating the purchase consideration to the identifiable assets, liabilities and contingent liabilities acquired. Accounting for the business combination, including valuation of goodwill, is finalized during the period ended 30 September 2023 (refer note 6).

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

19. ESTABLISHMENT AND ACQUISITION OF SUBSIDIARIES (continued)

International Applications Trading Company (continued)

The following table summarizes the consolidated fair values of assets acquired, and liabilities of IATC and its subsidiaries at the date of acquisition:

<u>Net Assets</u>	<u>31 July 2022</u>
Property and equipment	1,300,057
Intangible assets	33,000,000
Right to use asset	734,734
Trade receivables	753,639
Due from a related party	4,733,281
Advances and prepayments	108,407
Cash and cash equivalents	1,029,806
Accounts payable, accruals and other financial liabilities	(10,734,293)
Lease liabilities	(922,779)
Employee benefits liabilities	(1,509,350)
	<u>28,493,502</u>

Adjustments to the carrying values have been finalized within one year of the date of acquisition as allowed by IFRS 3 'Business Combinations'.

IATC has further acquired 100% shareholding in two subsidiaries which includes First Commercial Applications Company and Future Flower Trading Company, limited liability companies registered in the Kingdom of Saudi Arabia, against nil consideration as per the terms and conditions of Share Purchase Agreement. The related legal formalities were completed on 31 July 2022 by the management of IATC.

The Company incurred acquisition-related costs amounting to SR 3.2 million on legal fees and due diligence costs and the management has included these costs under 'General and Administration expenses' in the period in which these costs were incurred.

Ykone S.A.S

During the year ended December 31, 2022, FTR France entered into a Share Purchase Agreement with TF1 Marketing Services, a company registered in France and Mr. Olivier Billion, a French national, to acquire 80.46% shares in Ykone S.A.S ("Acquiree"), a French société par actions simplifiée having its registered office at 4 rue Marivaux, 75002 Paris, registered with the Trade and Companies Register of Paris, under number 508 497 294, for an agreed consideration of SR 129.75 million. The related legal formalities were completed on 27 July 2022. Later during this year, FTR France acquired 18.14% of the shareholding in Ykone S.A.S, resulting in a total acquisition of 98.6% as at 31 December 2022. All the legal formalities relating to the acquisition of further shareholding were completed during the year ended 31 December 2022.

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2023
(Expressed in Saudi Arabian Riyals)

19. ESTABLISHMENT AND ACQUISITION OF SUBSIDIARIES (continued)

Ykone S.A.S (continued)

The fair values of assets and liabilities disclosed below have been determined by performing purchase price allocation study using the carrying values appearing in the books of the acquiree. Management has appointed an independent firm to carry out fair valuation of identifiable assets and liabilities through the process of allocating the purchase consideration to the identifiable assets, liabilities and contingent liabilities acquired. Accounting for the business combination, including valuation of goodwill, is finalized during the period ended 30 September 2023 (refer note 6).

The following table summarizes the fair values of assets acquired, and liabilities assumed at the date of acquisition:

<u>Net Assets</u>	<u>27 July 2022</u>
Property and equipment	9,008,077
Intangible assets	54,763,280
Trade receivables	82,965,062
Prepayments and other receivables	3,571,921
Investments and other assets	9,543,515
Cash and cash equivalents	30,102,078
Trade payables, accruals and other financial liabilities	(105,266,198)
Non-controlling interests in Ykone S.A.S	(24,892,400)
	<u>59,795,335</u>

Adjustments to the carrying values have been finalized within one year of the date of acquisition as allowed by IFRS 3 'Business Combinations'.

The Company incurred acquisition-related costs amounting to SR 4.4 million on legal fees and due diligence costs and the management has included these costs under 'General and Administration expenses' in the period in which these costs were incurred.

On 22 December 2022, the Group's effective shareholding in Future Tech Retail – France changed from 100% to 86.53% whereby one of the shareholders in Ykone SAS surrendered its shareholding to FTR-France. As a result, there had been a change in the interest of non-controlling interest in both Ykone SAS and FTR-France with no change in control, therefore the management has taken the resultant impact of change in the effective shareholding in 'other reserves' in total equity.

20. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements have been approved by the Board of Directors on November 7, 2023, corresponding Rabia Al Thani 23, 1445H.