

**ALAMAR FOODS COMPANY**  
(A Closed Joint Stock Company)  
**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)**  
For the six months period ended 30 June 2022  
together with the  
**INDEPENDENT AUDITOR'S REVIEW REPORT**

**ALAMAR FOODS COMPANY**  
**(A CLOSED JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

---

| <b>INDEX</b>  | <b>PAGES</b> |
|---|--------------|
| Independent auditor's report on review of condensed consolidated interim financial statements | 1            |
| Condensed consolidated statement of financial position  | 2            |
| Condensed consolidated statements of profit or loss and other comprehensive income            | 3            |
| Condensed consolidated statement of changes in equity   | 4            |
| Condensed consolidated statement of cash flows  | 5            |
| Notes to the condensed consolidated financial statements                                      | 6 - 25       |



**ALAMAR FOODS COMPANY**  
(A CLOSED JOINT STOCK COMPANY)

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

**AS AT 30 JUNE 2022**

*(Amount in Saudi Riyals)*

|   | <i>Note</i> | <b>30 June<br/>2022<br/>(Unaudited)</b> | 31 December<br>2021<br>(Audited) |
|---|-------------|---|----------------------------------|
| <b>ASSETS</b>                                       |             |   |                                  |
| Property and equipment                              | 5           | 172,498,572                             | 162,987,240                      |
| Right of use assets                                 | 6           | 202,304,810                             | 211,747,378                      |
| Goodwill  | 23          | 22,331,744                              | 24,762,215                       |
| Other intangible assets                             |             | 9,467,569                               | 7,024,984                        |
| Equity-accounted investees                          |             | 2,345,127                               | 2,015,851                        |
| Deferred tax assets                                 |             | 3,695,113                               | 3,652,008                        |
| <b>Non-current assets</b>                           |             | <b>412,642,935</b>                      | <b>412,189,676</b>               |
| Inventories   | 7           | 59,510,184                              | 50,807,427                       |
| Trade and other receivables                         | 8           | 80,003,950                              | 71,163,359                       |
| Due from related parties                            | 9           | 3,463,264                               | 25,178,420                       |
| Cash and cash equivalents                           | 10          | 204,521,300                             | 190,567,259                      |
| <b>Current assets</b>                               |             | <b>347,498,698</b>                      | <b>337,716,465</b>               |
| <b>TOTAL ASSETS</b>                                 |             | <b>760,141,633</b>                      | <b>749,906,141</b>               |
| <b>EQUITY AND LIABILITIES</b>                       |             |   |                                  |
| <b>Equity</b>                                       |             |   |                                  |
| Share capital                                       | 11          | 255,000,000                             | 255,000,000                      |
| Treasury shares                                     | 11          | (3,000,000)                             | (3,000,000)                      |
| Statutory reserve                                   | 12          | 14,240,824                              | 14,240,824                       |
| Retained earnings                                   |             | 90,721,328                              | 80,063,484                       |
| Foreign currency translation reserve                |             | (10,970,935)                            | (5,643,362)                      |
| <b>Equity attributable to owners of the Company</b> |             | <b>345,991,217</b>                      | <b>340,660,946</b>               |
| Non-controlling interests                           |             | (717,813)                               | (296,055)                        |
| <b>Total equity</b>                                 |             | <b>345,273,404</b>                      | <b>340,364,891</b>               |
| Lease liabilities                                   | 14          | 144,230,997                             | 149,110,367                      |
| Employee benefits                                   | 15          | 29,663,552                              | 28,605,824                       |
| Trade and other payables                            | 16          | 5,888,293                               | 5,693,181                        |
| Loans and borrowings                                | 21          | 2,150,834                               | 3,183,167                        |
| Deferred tax liabilities                            |             | 1,361,636                               | 1,622,220                        |
| <b>Non-current liabilities</b>                      |             | <b>183,295,312</b>                      | <b>188,214,759</b>               |
| Lease liabilities                                   | 14          | 77,491,084                              | 77,924,885                       |
| Employee benefits                                   | 15          | 17,903,034                              | 19,550,194                       |
| Trade and other payables                            | 16          | 123,843,779                             | 110,829,332                      |
| Due to related parties                              | 9           | 5,487,205                               | 2,489,403                        |
| Loans and borrowings                                | 21          | 2,512,200                               | 1,646,857                        |
| Provision for zakat and income tax                  | 22          | 4,335,615                               | 8,885,820                        |
| <b>Current liabilities</b>                          |             | <b>231,572,917</b>                      | <b>221,326,491</b>               |
| <b>Total liabilities</b>                            |             | <b>414,868,229</b>                      | <b>409,541,250</b>               |
| <b>Total EQUITY AND LIABILITIES</b>                 |             | <b>760,141,633</b>                      | <b>749,906,141</b>               |

The accompanying notes (1) through (27) form an integral part of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements shown on pages 2 to 25 were approved on 19 Muharram 1444H (corresponding to 17 August 2022) and signed on behalf of the board of directors by:

Ibrahim A. AlJammaz  
Chairman of Board of Directors

Filippo Sgattoni  
Chief Executive Officer

Yaser AlMasri  
Chief Financial Officer

**ALAMAR FOODS COMPANY**  
**(A CLOSED JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**  
*(Amount in Saudi Riyals)*

|   | <i>Note</i> | For the three months period |                    | For the six months period |                     |
|---|-------------|-----------------------------|--------------------|---------------------------|---------------------|
|   |             | 30 June 2022                | 30 June 2021       | 30 June 2022              | 30 June 2021        |
| Revenue   | 17          | 255,979,780                 | 197,508,574        | 526,948,168               | 401,653,223         |
| Cost of sales   |             | (170,620,140)               | (132,086,382)      | (342,705,971)             | (259,300,019)       |
| <b>Gross profit</b>   |             | <b>85,359,640</b>           | <b>65,422,192</b>  | <b>184,242,197</b>        | <b>142,353,204</b>  |
| Selling and distribution expenses                               |             | (26,134,643)                | (18,231,348)       | (53,067,617)              | (37,448,560)        |
| Administrative expenses   |             | (32,228,431)                | (20,880,917)       | (58,922,331)              | (41,473,290)        |
| Other income  |             | 4,551,727                   | 6,167,082          | 9,663,002                 | 11,921,577          |
| Impairment of trade and other receivables                       |             | --                          | --                 | --                        | (1,500,000)         |
| <b>Operating profit</b>   |             | <b>31,548,293</b>           | <b>32,477,009</b>  | <b>81,915,251</b>         | <b>73,852,931</b>   |
| Finance costs and bank charges                                  |             | (4,406,600)                 | (3,864,198)        | (9,035,647)               | (7,650,594)         |
| Share of gain / (loss) of equity-accounted investee             |             | 82,826                      | (167,266)          | 11,556                    | (413,973)           |
| <b>Profit before zakat and tax</b>                              |             | <b>27,224,519</b>           | <b>28,445,545</b>  | <b>72,891,160</b>         | <b>65,788,364</b>   |
| Zakat and income tax  | 22          | (3,590,921)                 | (2,790,337)        | (6,059,413)               | (4,934,839)         |
| <b>Profit for the period</b>                                    |             | <b>23,633,598</b>           | <b>25,655,208</b>  | <b>66,831,747</b>         | <b>60,853,525</b>   |
| <i>Item that is reclassified subsequently to profit or loss</i> |             |                             |                    |                           |                     |
| Foreign operation – foreign currency translation differences    |             | (4,059,813)                 | (3,725,748)        | (5,358,624)               | (14,406,365)        |
| <b>Other comprehensive loss for the period</b>                  |             | <b>(4,059,813)</b>          | <b>(3,725,748)</b> | <b>(5,358,624)</b>        | <b>(14,406,365)</b> |
| <b>Total comprehensive income for the period</b>                |             | <b>19,573,785</b>           | <b>21,929,460</b>  | <b>61,473,123</b>         | <b>46,447,160</b>   |
| <b>Profit /(loss) attributable to:</b>                          |             |                             |                    |                           |                     |
| Owners of the Company   |             | 23,980,641                  | 25,514,329         | 67,222,454                | 61,905,126          |
| Non-controlling interests                                       |             | (347,043)                   | 140,879            | (390,707)                 | (1,051,601)         |
|   |             | <b>23,633,598</b>           | <b>25,655,208</b>  | <b>66,831,747</b>         | <b>60,853,525</b>   |
| <b>Total comprehensive income /(loss) attributable to:</b>      |             |                             |                    |                           |                     |
| Owners of the Company   |             | 19,290,719                  | 21,925,030         | 61,894,881                | 48,198,684          |
| Non-controlling interests                                       |             | 283,066                     | 4,430              | (421,758)                 | (1,751,524)         |
|   |             | <b>19,573,785</b>           | <b>21,929,460</b>  | <b>61,473,123</b>         | <b>46,447,160</b>   |
| Earnings per share - basic and diluted                          | 25          | <b>0.95</b>                 | 1.01               | <b>2.67</b>               | 2.46                |

The accompanying notes (1) through (27) form an integral part of these condensed consolidated interim financial statements.

**ALAMAR FOODS COMPANY**  
(A CLOSED JOINT STOCK COMPANY)  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

*(Amount in Saudi Riyals)*

|  | Attributable to owners of the Company |                    |                                    |                   |                      |                   |                                      | Total equity       |                          |                    |
|--|---------------------------------------|--------------------|------------------------------------|-------------------|----------------------|-------------------|--------------------------------------|--------------------|--------------------------|--------------------|
|  | Share capital                         | Treasury shares    | Proposed increase in share capital | Statutory reserve | Capital contribution | Retained earnings | Foreign currency translation reserve |                    | Non-controlling interest |                    |
| <i>For the six months ended 30 June 2022</i>     |                                       |                    |                                    |                   |                      |                   |                                      |                    |                          |                    |
| Balance at 1 January 2022                        | 255,000,000                           | (3,000,000)        | --                                 | 14,240,824        | --                   | 80,063,484        | (5,643,362)                          | 340,660,946        | (296,055)                | 340,364,891        |
| <i>Total comprehensive income for the period</i> |                                       |                    |                                    |                   |                      |                   |                                      |                    |                          |                    |
| Profit for the period                            | --                                    | --                 | --                                 | --                | --                   | 67,222,454        | --                                   | 67,222,454         | (390,707)                | 66,831,747         |
| Other comprehensive loss for the period          | --                                    | --                 | --                                 | --                | --                   | --                | (5,327,573)                          | (5,327,573)        | (31,051)                 | (5,358,624)        |
| <b>Total comprehensive income for the period</b> | --                                    | --                 | --                                 | --                | --                   | 67,222,454        | (5,327,573)                          | 61,894,881         | (421,758)                | 61,473,123         |
| Contribution from shareholders                   | --                                    | --                 | --                                 | --                | --                   | 11,435,390        | --                                   | 11,435,390         | --                       | 11,435,390         |
| Dividends (note 13)                              | --                                    | --                 | --                                 | --                | --                   | (68,000,000)      | --                                   | (68,000,000)       | --                       | (68,000,000)       |
| <b>Balance at 30 June 2022 (Un-audited)</b>      | <b>255,000,000</b>                    | <b>(3,000,000)</b> | <b>--</b>                          | <b>14,240,824</b> | <b>--</b>            | <b>90,721,328</b> | <b>(10,970,935)</b>                  | <b>345,991,217</b> | <b>(717,813)</b>         | <b>345,273,404</b> |
| <i>For the six months ended 30 June 2021</i>     |                                       |                    |                                    |                   |                      |                   |                                      |                    |                          |                    |
| Balance at 1 January 2021                        | 5,000,000                             | --                 | --                                 | 2,500,000         | 151,268,859          | 64,322,839        | 2,339,886                            | 225,431,584        | 1,560,826                | 226,992,410        |
| <i>Total comprehensive income for the period</i> |                                       |                    |                                    |                   |                      |                   |                                      |                    |                          |                    |
| Profit for the period                            | --                                    | --                 | --                                 | --                | --                   | 61,905,126        | --                                   | 61,905,126         | (1,051,601)              | 60,853,525         |
| Other comprehensive loss for the period          | --                                    | --                 | --                                 | --                | --                   | --                | (13,706,442)                         | (13,706,442)       | (699,923)                | (14,406,365)       |
| <b>Total comprehensive loss for the period</b>   | --                                    | --                 | --                                 | --                | --                   | 61,905,126        | (13,706,442)                         | 48,933,684         | (1,751,524)              | 46,447,160         |
| Transfer to proposed increase in share capital   | --                                    | --                 | 247,000,000                        | --                | (151,268,859)        | (95,731,141)      | --                                   | --                 | --                       | --                 |
| Contribution from shareholders                   | --                                    | --                 | --                                 | --                | --                   | 8,182,882         | --                                   | 8,182,882          | --                       | 8,182,882          |
| <b>Balance at 30 June 2021 (Un-audited)</b>      | <b>5,000,000</b>                      | <b>--</b>          | <b>247,000,000</b>                 | <b>2,500,000</b>  | <b>--</b>            | <b>38,679,706</b> | <b>(11,366,556)</b>                  | <b>281,813,150</b> | <b>(190,698)</b>         | <b>281,622,452</b> |

The accompanying notes (1) through (27) form an integral part of these condensed consolidated interim financial statements.

**ALAMAR FOODS COMPANY**  
**(A CLOSED JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

*(Amount in Saudi Riyals)*

|   | Note | 30 June<br>2022     | 30 June<br>2021     |
|---|------|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>           |      |                     |                     |
| Profit for the period                                 |      | 66,831,747          | 60,853,525          |
| <i>Adjustments for:</i>                               |      |                     |                     |
| - Income tax and zakat                                |      | 6,059,413           | 4,934,839           |
| - Depreciation of property and equipment              | 5    | 16,908,436          | 15,552,521          |
| - Depreciation of right of use assets                 | 6    | 34,827,880          | 31,436,532          |
| - Amortization of intangible assets                   |      | 1,007,252           | 521,786             |
| - Share of (gain) / loss in equity-accounted investee |      | (11,556)            | 413,973             |
| - Employee benefits                                   | 15   | 3,054,315           | 2,292,669           |
| - Interest expense of lease liabilities               | 14   | 6,424,627           | 5,866,259           |
| - Impairment loss on trade and other receivables      |      | --                  | 1,500,000           |
| - Loss on disposal of property and equipment          |      | 87,055              | 437,113             |
|   |      | <u>135,189,169</u>  | <u>123,809,217</u>  |
| <i>Changes in:</i>                                    |      |                     |                     |
| Inventories   |      | (8,702,758)         | (6,387,214)         |
| Trade and other receivables                           |      | (8,840,591)         | (8,234,431)         |
| Due from / to related parties                         |      | (3,794,222)         | (15,323,069)        |
| Employee benefits                                     |      | (2,053,721)         | (2,486,285)         |
| Trade and other payables                              |      | 12,891,839          | (19,334,689)        |
| <b>Cash generated from operations</b>                 |      | <u>124,689,716</u>  | <u>72,043,529</u>   |
| Zakat and income tax paid                             |      | (10,780,142)        | (8,670,313)         |
| Employee benefits paid                                | 15   | (1,590,025)         | (2,957,864)         |
| <b>Net cash generated from operating activities</b>   |      | <u>112,319,549</u>  | <u>60,415,352</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>           |      |                     |                     |
| Acquisition of property and equipment                 | 5    | (31,887,928)        | (14,430,528)        |
| Acquisition of intangible assets                      |      | (3,921,795)         | (616,360)           |
| Proceed from sale of property and equipment           |      | 388,575             | 1,404,648           |
| <b>Net cash used in investing activities</b>          |      | <u>(35,421,148)</u> | <u>(13,642,240)</u> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>           |      |                     |                     |
| Movement in loans and borrowings                      |      | (166,990)           | 1,373,939           |
| Payments of lease liabilities                         | 14   | (29,044,966)        | (31,472,278)        |
| Payments of interest expense of lease liabilities     | 14   | (6,424,627)         | (5,866,259)         |
| Dividends paid  | 13   | (28,057,431)        | --                  |
| <b>Net cash used in financing activities</b>          |      | <u>(63,694,014)</u> | <u>(35,964,598)</u> |
| Net increase in cash and cash equivalents             |      | 13,204,387          | 10,808,514          |
| Cash and cash equivalents at beginning of the period  |      | 190,567,259         | 128,105,607         |
| Effect of movement in exchange rates on cash held     |      | 749,654             | 411,672             |
| <b>Cash and cash equivalents at end of period</b>     | 10   | <u>204,521,300</u>  | <u>139,325,793</u>  |

The accompanying notes (1) through (27) form an integral part of these condensed consolidated interim financial statements.

**ALAMAR FOODS COMPANY**  
**(A CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

*(Amount in Saudi Riyals)*

**1. ACTIVITIES**

Alamar Foods Company (the “Company” or the “Parent Company”) is a Saudi Closed Joint Stock Company formed under the Regulations for Companies in Kingdom of Saudi Arabia under Commercial Registration (CR) Number 1010168969 dated 20 Jumada Al-Thani 1422 H (corresponding to 09 September 2001). The Company has obtained the Ministry of Commerce approval based on Board of Ministries Resolution No. 97 dated 16 Rabi Al Awal 1433H (corresponding to 08 February 2012).

The main activities of the Company and its subsidiaries (collectively referred to as “the Group”) consist of:

- i) Administration and operation of 401 restaurants (31 December 2021: 383) under a Domino’s franchise agreement catering service for cooked and non-cooked food and fast food meals.
- ii) Administration and operation of 49 restaurants (31 December 2021: 44 restaurants) under Dunkin Donut’s franchisee agreement.

The address of the Company’s registered office is as follows:

Alamar Building  
Olaya Road, Olaya District  
P.O Box 4748  
Riyadh 11412, Kingdom of Saudi Arabia

On 7 Dhu al-Qidah 1443H (corresponding to 7 June 2022), the Capital Market Authority announced the approval to offer 10.6 million shares for public subscription representing 42.2% of the Company’s shares. On 9 August 2022, the Company’s shares started trading on Tadawul as a Joint Stock Company.

These condensed consolidated interim financial statements include the financial position and performance of the Company and its following subsidiaries:

| <u>Name of the Company</u>     | <u>Place of incorporation</u> | <u>Principal activity</u>                                      | <u>Date of acquisition</u> | <u>Effective holding percentage</u> |                         |
|--------------------------------|-------------------------------|--|----------------------------|-------------------------------------|-------------------------|
|                                |                               |  |                            | <u>30 June 2022</u>                 | <u>31 December 2021</u> |
| Alamar Foods Company LLC       | Amman, Jordan                 | Establishing, operating and managing of fast food restaurants  | 9 January 2020             | 75%                                 | 75%                     |
| Alamar Foods Company LLC       | Cairo, Egypt                  | Establishing, operating and managing of fast food restaurants. | 9 January 2020             | 99%                                 | 99%                     |
| Alamar Foods LLC               | Doha, Qatar                   | Establishing, operating and managing of fast food restaurants  | 9 January 2020             | 99%                                 | 99%                     |
| Alamar Foods DMCC              | Dubai, UAE                    | Establishing, operating and managing of fast food restaurants  | 9 January 2020             | 100%                                | 100%                    |
| Alamar Foods LLC               | Dubai, UAE                    | Establishing, operating and managing of fast food restaurants  | 9 January 2020             | 99%                                 | 99%                     |
| Alamar Foods Company W.L.L     | Manama, Bahrain               | Establishing, operating and managing of fast food restaurants  | 9 January 2020             | 99%                                 | 99%                     |
| Alamar Foods SARL              | Beirut, Lebanon               | Establishing, operating and managing of fast food restaurants  | 9 January 2020             | 95%                                 | 95%                     |
| HEA Trade and Services Company | Rabat, Morocco                | Establishing, operating and managing of fast food restaurants  | 23 January 2020            | 49%                                 | 49%                     |



**ALAMAR FOODS COMPANY**  
**(A CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**  
*(Amount in Saudi Riyals)*

---

**2. BASIS OF PREPARATION**

***Statement of compliance***

These condensed consolidated interim financial statements (“consolidated financial statements”) have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”), and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2021 (“last annual financial statements”).

These consolidated financial statements do not include all of information required for complete set of IFRS 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 financial statements.

***Basis of measurement***

The consolidated financial statements have been prepared on a historical cost basis except for the defined benefit plan which is measured at present value of future obligations using Projected Unit Credit Method and equity-accounted investees which are measured at equity method. Further, the consolidated financial statements are prepared using the accrual basis of accounting and going concern concept.

***Functional and presentation currency***

These consolidated financial statements are presented in Saudi Riyal (“SR”) which is the functional and presentation currency of the Group.

**3. USE OF ESTIMATES, ASSUMPTIONS AND JUDGEMENTS**

In preparing these consolidated financial statements, management has made estimates and judgments that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

***Measurement of fair values***

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised 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.
- 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 asset or liability that are not based on observable market data (unobservable inputs).

**ALAMAR FOODS COMPANY**  
**(A CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

*(Amount in Saudi Riyals)*

**3. USE OF ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)**

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

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**4. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated annual financial statements for the year ended 31 December 2021.

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted them in preparing these consolidated financial statements. These are not expected to have a significant impact on the consolidated financial statements of the Company.

|  |   |
|--|---|
| 1 January 2022   | Onerous Contracts -Cost of Fulfilling a Contract (Amendments to IAS 37)   |
|  | Annual Improvements to International Financial Reporting Standards 2018- 2020   |
|  | Property, Plant and Equipment: Proceeds before intended use (Amendments to IAS 16)  |
|  | Refer to the Conceptual Framework (Amendments to IFRS 3)  |
| 1 January 2023   | Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)   |
|  | IFRS 17 Insurance Contracts and Amendments to IFRS 17 Insurance Contracts   |
|  | Disclosure of Accounting Policies (Amendments to International Accounting Standards No. 1 and Practice Statement IFRS No. 2 |
|  | Definition of Accounting Estimates (Amendments to IAS 8)  |
|  | Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)                     |
| Available for optional adoption / effective date deferred indefinitely | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)    |

**ALAMAR FOODS COMPANY**  
(A CLOSED JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**  
*(Amount in Saudi Riyals)*

**5. PROPERTY AND EQUIPMENT**

|  | <u>Land</u>      | <u>Buildings and<br/>buildings<br/>improvements</u> | <u>Leasehold<br/>improvements</u> | <u>Furniture</u>  | <u>Machines<br/>and<br/>equipment</u> | <u>Computer<br/>devices and<br/>hardware</u> | <u>Vehicles</u>  | <u>Total</u>       |
|--|------------------|---|-----------------------------------|-------------------|---------------------------------------|--|------------------|--------------------|
| <i>Cost:</i>   |                  |   |                                   |                   |                                       |  |                  |                    |
| At 1 January 2021 (Audited)                          | 2,985,520        | 1,170,122   | 154,112,734                       | 18,360,609        | 132,129,831                           | 23,920,649                                   | 8,298,268        | 340,977,733        |
| Additions  | --               | 56,549  | 26,534,387                        | 1,415,069         | 12,659,881                            | 2,272,722                                    | 714,101          | 43,652,709         |
| Disposals  | --               | (104,688)   | (3,011,240)                       | (156,266)         | (1,630,314)                           | (164,305)                                    | (553,601)        | (5,620,414)        |
| Exchange rates movements                             | 13,403           | 1,441   | (3,390,852)                       | (1,822,928)       | (4,187,181)                           | (1,279,799)                                  | (325,839)        | (10,991,755)       |
| <b>At 31 December 2021 (Audited)</b>                 | <b>2,998,923</b> | <b>1,123,424</b>                                    | <b>174,245,029</b>                | <b>17,796,484</b> | <b>138,972,217</b>                    | <b>24,749,267</b>                            | <b>8,132,929</b> | <b>368,018,273</b> |
| Additions  | --               | 77,782  | 11,651,204                        | 1,688,545         | 7,120,233                             | 2,199,204                                    | 397,986          | 23,134,954         |
| Disposals  | --               | (915)   | (826,688)                         | (190,161)         | (2,990,127)                           | (374,195)                                    | (819,700)        | (5,201,786)        |
| Exchange rates movements                             | (488,548)        | (96,682)  | (3,180,020)                       | (388,188)         | (3,754,548)                           | (268,507)                                    | (262,063)        | (8,438,556)        |
| <b>At 30 June 2022 (Un-audited)</b>                  | <b>2,510,375</b> | <b>1,103,609</b>                                    | <b>181,889,525</b>                | <b>18,906,680</b> | <b>139,347,775</b>                    | <b>26,305,769</b>                            | <b>7,449,152</b> | <b>377,512,885</b> |
| <i>Accumulated depreciation and impairment loss:</i> |                  |   |                                   |                   |                                       |  |                  |                    |
| At 1 January 2021 (Audited)                          | --               | 349,081   | 76,044,062                        | 12,351,648        | 74,388,040                            | 18,642,807                                   | 5,570,375        | 187,346,013        |
| Charge for the year                                  | --               | 11,053  | 15,758,723                        | 1,510,813         | 11,288,866                            | 2,322,534                                    | 1,103,904        | 31,995,893         |
| Reversal of impairment loss                          | --               | --  | (1,121,482)                       | --                | --                                    | --   | --               | (1,121,482)        |
| Disposals  | --               | (1,245)   | (1,448,955)                       | (104,440)         | (914,084)                             | (126,091)                                    | (551,797)        | (3,146,612)        |
| Exchange rates movements                             | --               | 3,073   | (4,240,521)                       | (1,135,398)       | (3,144,708)                           | (1,263,227)                                  | (261,998)        | (10,042,779)       |
| <b>At 31 December 2021 (Audited)</b>                 | <b>--</b>        | <b>361,962</b>                                      | <b>84,991,827</b>                 | <b>12,622,623</b> | <b>81,618,114</b>                     | <b>19,576,023</b>                            | <b>5,860,484</b> | <b>205,031,033</b> |
| Charge for the period                                | --               | 21,402  | 8,476,770                         | 796,248           | 5,902,665                             | 1,170,974                                    | 540,377          | 16,908,436         |
| Disposals  | --               | (464)   | (775,522)                         | (183,736)         | (2,813,588)                           | (357,904)                                    | (594,941)        | (4,726,155)        |
| Exchange rates movements                             | --               | (28,893)  | (1,474,857)                       | (290,639)         | (1,398,850)                           | (77,237)                                     | (175,552)        | (3,446,028)        |
| <b>At 30 June 2022 (Unaudited)</b>                   | <b>--</b>        | <b>354,007</b>                                      | <b>91,218,218</b>                 | <b>12,944,496</b> | <b>83,308,341</b>                     | <b>20,311,856</b>                            | <b>5,630,368</b> | <b>213,767,286</b> |
| <b>Net book value</b>                                |                  |   |                                   |                   |                                       |  |                  |                    |
| <b>At 30 June 2022 (Unaudited)</b>                   | <b>2,510,375</b> | <b>749,602</b>                                      | <b>90,671,307</b>                 | <b>5,962,184</b>  | <b>56,039,434</b>                     | <b>5,993,913</b>                             | <b>1,818,784</b> | <b>163,745,599</b> |
| At 31 December 2021 (Audited)                        | 2,998,923        | 761,462   | 89,253,202                        | 5,173,861         | 57,354,103                            | 5,173,244                                    | 2,272,445        | 162,987,240        |

5.1 As of 30 June 2022, a further amount of SR 8.8 million (31 December 2021: NIL) is also capitalized primarily relating to certain stores and head office assets improvements in progress. Including this amount of SR 8.8 million the total property and equipment amounts to SR 172.5 million (31 December 2021: SR 163 million)

**ALAMAR FOODS COMPANY**  
**(A CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

*(Amount in Saudi Riyals)*

**6. RIGHT OF USE ASSETS**

Right-of-use assets related to leased properties that meet the definition of leased assets under the adoption of IFRS 16.

The Group leases stores and vehicles. The leases typically run for an average lease term of up to 5 years, with an option to renew the lease after that date in some contracts. Lease payments are fixed, some leases include escalated rent payments.

|                                      | <u>Buildings</u>          | <u>Vehicles</u>          | <u>Total</u>              |
|--------------------------------------|---------------------------|--------------------------|---------------------------|
| <b>Cost:</b>                         |                           |                          |                           |
| At 1 January 2021 (Audited)          | 289,314,734               | 25,805,457               | 315,120,191               |
| Additions                            | 78,486,535                | 18,296,082               | 96,782,618                |
| Disposals                            | (10,854,206)              | (8,352,436)              | (19,206,642)              |
| Exchange rates movements             | (4,205,368)               | (17,330)                 | (4,222,698)               |
| <b>At 31 December 2021 (Audited)</b> | <u>352,741,695</u>        | <u>35,731,773</u>        | <u>388,473,468</u>        |
| <b>Additions</b>                     | <b>22,109,539</b>         | <b>12,185,974</b>        | <b>34,295,513</b>         |
| <b>Modifications</b>                 | <b>(3,544,392)</b>        | <b>--</b>                | <b>(3,544,392)</b>        |
| <b>Disposals</b>                     | <b>(2,046,187)</b>        | <b>(1,894,277)</b>       | <b>(3,940,464)</b>        |
| <b>Exchange rates movements</b>      | <b>(11,259,864)</b>       | <b>(313,519)</b>         | <b>(11,573,383)</b>       |
| <b>At 30 June 2022 (Unaudited)</b>   | <u><b>358,000,791</b></u> | <u><b>45,709,951</b></u> | <u><b>403,710,742</b></u> |
| <b>Accumulated depreciation:</b>     |                           |                          |                           |
| At 1 January 2021 (Audited)          | 112,080,664               | 14,733,492               | 126,814,156               |
| Charge for the year                  | 58,469,783                | 6,759,990                | 65,229,773                |
| Disposal                             | (4,899,424)               | (8,121,757)              | (13,021,181)              |
| Exchange rates movements             | (2,286,746)               | (9,912)                  | (2,296,658)               |
| <b>At 31 December 2021 (Audited)</b> | <u>163,364,277</u>        | <u>13,361,813</u>        | <u>176,726,090</u>        |
| <b>Charge for the period</b>         | <b>30,406,316</b>         | <b>4,421,564</b>         | <b>34,827,880</b>         |
| <b>Modification</b>                  | <b>(2,405,050)</b>        | <b>--</b>                | <b>(2,405,050)</b>        |
| <b>Disposals</b>                     | <b>(1,954,063)</b>        | <b>(1,815,254)</b>       | <b>(3,769,317)</b>        |
| <b>Exchange rates movements</b>      | <b>(3,808,441)</b>        | <b>(165,230)</b>         | <b>(3,973,671)</b>        |
| <b>At 30 June 2022 (Unaudited)</b>   | <u><b>185,603,039</b></u> | <u><b>15,802,893</b></u> | <u><b>201,405,932</b></u> |
| <b>Net book values:</b>              |                           |                          |                           |
| <b>At 30 June 2022 (Unaudited)</b>   | <u><b>172,397,752</b></u> | <u><b>29,907,058</b></u> | <u><b>202,304,810</b></u> |
| <b>At 31 December 2021 (Audited)</b> | <u>189,377,418</u>        | <u>22,369,960</u>        | <u>211,747,378</u>        |

**7. INVENTORIES**

|                                  | <b>30 June<br/>2022<br/>(Unaudited)</b> | <b>31 December<br/>2021<br/>(Audited)</b> |
|----------------------------------|---|---|
| Raw materials                    | 51,298,902                              | 44,856,610                                |
| Consumables and packing material | 8,211,282                               | 5,896,089                                 |
| Goods in transit                 | --                                      | 54,728                                    |
|                                  | <u>59,510,184</u>                       | <u>50,807,427</u>                         |

**ALAMAR FOODS COMPANY**  
**(A CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**  
*(Amount in Saudi Riyals)*

**8. TRADE AND OTHER RECEIVABLES**

|  |             | <b>30 June<br/>2022</b> | 31 December<br>2021 |
|--|-------------|-------------------------|---------------------|
|  | <b>Note</b> | <b>(Unaudited)</b>      | <b>(Audited)</b>    |
| Trade receivables                          |             | <b>24,015,596</b>       | 17,528,400          |
| Allowance for doubtful debts               | 8.1         | <b>(4,666,860)</b>      | (4,227,561)         |
| Net trade receivables                      |             | <b>19,348,736</b>       | 13,300,839          |
| Prepaid expenses                           |             | <b>25,965,955</b>       | 24,020,284          |
| Advances to suppliers                      |             | <b>16,916,068</b>       | 15,354,487          |
| Advances to employees                      |             | <b>4,181,491</b>        | 3,542,832           |
| Other receivables                          |             | <b>15,796,408</b>       | 17,647,052          |
| Less: Impairment loss on other receivables | 8.1         | <b>(2,204,708)</b>      | (2,702,135)         |
|  |             | <b>80,003,950</b>       | 71,163,359          |

8.1 Movement in the allowances for doubtful debts and other receivables for the period / year is as follows:

|  | <b>30 June<br/>2022</b> | 31 December<br>2021 |
|--|-------------------------|---------------------|
|  | <b>(Unaudited)</b>      | <b>(Audited)</b>    |
| Balance at beginning of the period / year  | <b>6,929,696</b>        | 5,179,861           |
| Charge during the year                     | --                      | 2,712,050           |
| Exchange rates movements                   | <b>(58,128)</b>         | --                  |
| Written off during the year                | --                      | (962,215)           |
| <b>Balance at end of the period / year</b> | <b>6,871,568</b>        | 6,929,696           |

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses ("ECL"). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group writes off or provides a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, for example when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

**ALAMAR FOODS COMPANY**  
**(A CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

*(Amount in Saudi Riyals)*

**8. TRADE AND OTHER RECEIVABLES (CONTINUED)**

The following table details the risk profile of trade receivables based on the Company's provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the allowances for doubtful debts based on past due status is not further distinguished between the Company's different customer types.

| 30 June 2022 (Un-audited)   | Not past due | Trade receivables – Days past due |        |         |           | Total      |
|-----------------------------|--------------|-----------------------------------|--------|---------|-----------|------------|
|                             |              | <30                               | 31-60  | 61-90   | >90       |            |
| Expected credit loss rate % | 0.9%         | 40.1%                             | --     | --      | 100%      | 19.5%      |
| Gross carrying amount       | 18,154,909   | 1,611,220                         | 44,207 | 329,234 | 3,876,026 | 24,015,596 |
| Lifetime ECL                | 154,666      | 636,168                           | --     | --      | 3,876,026 | 4,666,860  |

  

| 31 December 2021 (Audited)  | Not past due | Trade receivables – Days past due |         |         |           | Total      |
|-----------------------------|--------------|-----------------------------------|---------|---------|-----------|------------|
|                             |              | <30                               | 31-60   | 61-90   | >90       |            |
| Expected credit loss rate % | 0.5%         | 0.7%                              | --      | --      | 97%       | 24%        |
| Gross carrying amount       | 11,072,516   | 1,696,381                         | 182,439 | 286,944 | 4,290,125 | 17,528,400 |
| Lifetime ECL                | 55,041       | 12,852                            | --      | --      | 4,159,668 | 4,227,561  |

**9. RELATED PARTIES INFORMATION**

The Group's immediate and ultimate controlling party is Abdul Aziz Ibrahim AlJammaz and Brothers Company, which is incorporated in the Kingdom of Saudi Arabia. The related party transactions were made on terms agreed at group level. During the period, the Group entered into the following transactions with related parties:

|  | For the six months<br>Period ended |                                |
|--|------------------------------------|--------------------------------|
|  | 30 June<br>2022<br>(Unaudited)     | 30 June<br>2021<br>(Unaudited) |
| <b>Transactions with shareholders</b>                        |                                    |                                |
| IPO Charges  | 3,073,605                          | --                             |
| Collections and payments                                     | 28,057,431                         | --                             |
| Contribution from shareholders                               | 11,435,390                         | 8,182,882                      |
| Dividends  | 68,000,000                         | --                             |
| <b>Transactions with associates/joint venture investment</b> |                                    |                                |
| Sales of goods & other assets                                | 64,533                             | 18,700                         |
| Purchases  | 15,355                             | --                             |
| Expenses   | 112,084                            | 23,583                         |
| Royalty, Opening Fees & technology fees                      | 1,910,933                          | 1,698,833                      |
| Collections and payments                                     | 1,381,028                          | 2,061,087                      |
| Financing  | --                                 | 6,311                          |
| Other charges  | 820                                | 24,627                         |
| <b>Transactions with entities under common control</b>       |                                    |                                |
| Expenses   | 8,026                              | 236,749                        |
| Collections and payments                                     | 31,781                             | --                             |
| Other charges  | 23,990                             | 194                            |
| <b>Transactions with other related parties</b>               |                                    |                                |
| Expenses   | 1,357,428                          | --                             |
| Collections and payments                                     | 2,788,243                          | 785,922                        |
| Other charges  | 1,430,815                          | 911,367                        |

**ALAMAR FOODS COMPANY**  
**(A CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**  
*(Amount in Saudi Riyals)*

**9. RELATED PARTIES INFORMATION (CONTINUED)**

The following balances were outstanding with related parties at the reporting date:

|   |                              | <b>30 June<br/>2022<br/>(Unaudited)</b> | 31 December<br>2021<br>(Audited) |
|---|------------------------------|---|----------------------------------|
| <b><i>Due from related parties</i></b>          |                              |   |                                  |
| AbdulAziz Ibrahim AlJammaz and Brothers Company | Parent Company               | --                                      | 6,673,886                        |
| Alamar Foods Company LLC, Oman                  | Associate company            | 902,134                                 | 424,872                          |
| Kasual + limited liability company              | Associate company            | 13,589                                  | 14,073                           |
| Alamar Foods For Restaurants Management WLL     | Associate company            | 12,552                                  | 12,552                           |
| Yasmine Flower                                  | Shareholder of subsidiary    | 1,200,303                               | 1,200,303                        |
| AlJammaz Establishment                          | Company under common control | --                                      | 235                              |
| Meadow Holdings (Cayman) Limited                | Shareholder                  | 1,334,686                               | 10,332,171                       |
| Meadow Saudi Arabia Company                     | Shareholder                  | --                                      | 6,520,328                        |
|   |                              | <b><u>3,463,264</u></b>                 | <b><u>25,178,420</u></b>         |
| <b><i>Due to related parties</i></b>            |                              |   |                                  |
| Meadow Saudi Arabia Company                     | Shareholder                  | 3,241,878                               | --                               |
| Hakam El Abbes                                  | Shareholder of subsidiary    | 2,240,393                               | 2,484,380                        |
| Sovana Inc. USA                                 | Others                       | 4,934                                   | 5,023                            |
|   |                              | <b><u>5,487,205</u></b>                 | <b><u>2,489,403</u></b>          |

The amounts outstanding with related parties are unsecured and will be settled in cash. No amounts have been expensed in respect of due from other related parties during the period. The payables by related parties are payable on demand and accordingly impact of expected credit losses is not considered material as the counter parties have sufficient liquid assets available at reporting date to repay the amounts.

Compensation paid to key management personnel during the period is as follows:

|                          | <b>For the six months<br/>period ended</b> |                                |
|--------------------------|--|--------------------------------|
|                          | <b>30 June<br/>2022<br/>(Unaudited)</b>    | 30 June<br>2021<br>(Unaudited) |
| Short-term benefits      | 7,244,193                                  | 6,369,905                      |
| Post-employment benefits | 661,534                                    | 850,153                        |

**10. CASH AND CASH EQUIVALENTS**

|                                   | <b>30 June<br/>2022<br/>(Unaudited)</b> | 31 December<br>2021<br>(Audited) |
|-----------------------------------|---|----------------------------------|
| Cash on hand                      | 2,579,744                               | 3,318,261                        |
| Cash at bank                      | 125,691,556                             | 190,998,998                      |
| Murabaha contract*                | 80,000,000                              | --                               |
| Cash and cash equivalents – gross | <b><u>208,271,300</u></b>               | <b><u>194,317,259</u></b>        |
| Impairment loss allowance         | <b><u>(3,750,000)</u></b>               | <b><u>(3,750,000)</u></b>        |
| Cash and cash equivalent – net    | <b><u>204,521,300</u></b>               | <b><u>190,567,259</u></b>        |

\* Maturity dates less than three months and return of 2%.

**ALAMAR FOODS COMPANY**  
**(A CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**  
*(Amount in Saudi Riyals)*

**11. SHARE CAPITAL**

|  | <b>30 June<br/>2022<br/>(Unaudited)</b> | 31 December<br>2021<br>(Audited) |
|--|---|----------------------------------|
| 25,500,000 shares of SR10 each                                       | <u>255,000,000</u>                      | <u>255,000,000</u>               |
| <i>Treasury shares:</i>  |   |                                  |
| Outstanding number of treasury shares (300,000 shares of SR 10 each) | <u>3,000,000</u>                        | <u>3,000,000</u>                 |

**12. STATUTORY RESERVE**

In accordance with the Regulations for Companies in Saudi Arabia and the Company's By-Laws, the Company is required to transfer 10% of its profit for the year to a statutory reserve until such reserve equals 30% of its share capital. This reserve is not available for dividend distribution.

**13. DIVIDENDS**

On 26 Ramadan 1443 H corresponding to 27 April 2022 the Board of Directors proposed and approved the distribution of dividends to the Company's shareholders in an amount of sixty eight million (68,000,000) Saudi Riyals from the Company's retained earnings for the financial year ended 31 December 2021. This was approved by the shareholders in their meeting dated 12 May 2022. These dividends have been paid in the period net of certain related party receivable balances.

**14. LEASE LIABILITIES**

|                                      | <b>30 June<br/>2022<br/>(Unaudited)</b> | 31 December<br>2021<br>(Audited) |
|--------------------------------------|---|----------------------------------|
| <i>Non-Current liabilities</i>       |   |                                  |
| Lease liabilities                    | <u>144,230,997</u>                      | <u>149,110,367</u>               |
| <i>Current liabilities</i>           |   |                                  |
| Current portion of lease liabilities | <u>77,491,084</u>                       | <u>77,924,885</u>                |

The Group leased certain of its vehicles and its stores. The average lease term is 5 years (2021: 5 years).

|   | <b>30 June<br/>2022<br/>(Unaudited)</b> | 31 December<br>2021<br>(Audited) |
|---|---|----------------------------------|
| <b><u>Minimum lease payments</u></b>                  |   |                                  |
| Not later than one year                               | <u>88,623,744</u>                       | 94,769,504                       |
| Later than one year and not later than five years     | <u>137,423,123</u>                      | 145,157,334                      |
| More than five years                                  | <u>25,738,350</u>                       | 18,080,667                       |
|   | <u>251,785,217</u>                      | 258,007,505                      |
| Less: future finance charges                          | <u>(30,063,136)</u>                     | (30,972,253)                     |
| Present value of minimum lease payments               | <u>221,722,081</u>                      | <u>227,035,252</u>               |
| <b><u>Present value of minimum lease payments</u></b> |   |                                  |
| Not later than one year                               | <u>77,491,084</u>                       | 77,924,885                       |
| Later than one year but not later than five years     | <u>121,312,343</u>                      | 140,667,144                      |
| More than five years                                  | <u>22,918,654</u>                       | 8,443,223                        |
|   | <u>221,722,081</u>                      | <u>227,035,252</u>               |



**ALAMAR FOODS COMPANY**  
**(A CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**  
*(Amount in Saudi Riyals)*

**14. LEASE LIABILITIES (Continued)**

Movement in lease liability during the year is as follows:

|  | <b>30 June<br/>2022<br/>(Unaudited)</b> | <b>31 December<br/>2021<br/>(Audited)</b> |
|--|---|---|
| Balance on 1 January                       | 227,035,252                             | 201,957,476                               |
| Additions                                  | 34,295,513                              | 97,559,763                                |
| Finance cost                               | 6,424,627                               | 11,500,339                                |
| Modification                               | (1,139,342)                             | --  |
| Disposal                                   | (171,147)                               | (6,962,607)                               |
| Payments made during the period / year     | (35,469,593)                            | (77,019,719)                              |
| Exchange rates movements                   | (9,253,229)                             | --  |
| <b>Balance as on 30 June / 31 December</b> | <b>221,722,081</b>                      | <b>227,035,252</b>                        |

**15. EMPLOYEE BENEFITS**

|                                  | <b>30 June<br/>2022<br/>(Unaudited)</b> | <b>31 December<br/>2021<br/>(Audited)</b> |
|----------------------------------|---|---|
| <i>Non-current liability</i>     |   |   |
| Defined benefit liability        | 27,023,489                              | 25,559,199                                |
| Others                           | 2,640,063                               | 3,046,625                                 |
|                                  | <b>29,663,552</b>                       | <b>28,605,824</b>                         |
| <i>Current liabilities:</i>      |   |   |
| Payroll and bonus                | 4,747,739                               | 8,403,904                                 |
| Accrued vacation                 | 8,724,326                               | 7,191,163                                 |
| Accrued air ticket and iqama fee | 3,098,117                               | 2,762,938                                 |
| Others                           | 1,332,852                               | 1,192,189                                 |
|                                  | <b>17,903,034</b>                       | <b>19,550,194</b>                         |
|                                  | <b>47,566,586</b>                       | <b>48,156,018</b>                         |

|  | <b>30 June<br/>2022<br/>(Unaudited)</b> | <b>31 December<br/>2021<br/>(Audited)</b> |
|--|---|---|
| <b>Defined benefit liability</b>               |   |   |
| Balance at the beginning of the period / year  | 25,559,199                              | 22,087,041                                |
| Acquisitions through business combination      | --                                      | --  |
| Current service cost                           | 2,772,225                               | 5,014,313                                 |
| Interest cost                                  | 282,090                                 | 225,958                                   |
|  | <b>3,054,315</b>                        | <b>5,240,271</b>                          |
| Paid during the period / year                  | (1,590,025)                             | (4,174,009)                               |
| Actuarial loss arising from                    |   |   |
| - Demographic assumptions                      | --                                      | (142,035)                                 |
| - Financial assumptions                        | --                                      | 1,696,985                                 |
| - Experience adjustments                       | --                                      | 1,258,556                                 |
|  | --                                      | 2,813,506                                 |
| Exchange rate movements                        | --                                      | (407,610)                                 |
| <b>Balance at the end of the period / year</b> | <b>27,023,489</b>                       | <b>25,559,199</b>                         |

**ALAMAR FOODS COMPANY**  
**(A CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**  
*(Amount in Saudi Riyals)*

**15. EMPLOYEE BENEFITS (Continued)**

The most recent actuarial valuation was performed by an independent, qualified actuary using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuation were as follows:

|                          | <b>30 June<br/>2022<br/>(Unaudited)</b> | 31 December<br>2021<br>(Audited) |
|--------------------------|---|----------------------------------|
| Discount rate            | <b>1.81%</b>                            | 1.81%                            |
| Rate of salary increases | <b>2.75%</b>                            | 2.75%                            |

All movements in the employee defined benefit liabilities are recognized in profit or loss except for the actuarial loss which is recognized in other comprehensive income.

Sensitivity analyses

The sensitivity analyses presented below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. A positive amount represents an increase in the liability whilst a negative amount represents a decrease in the liability.

|   | <b>30 June<br/>2022<br/>(Unaudited)</b> | 31 December<br>2021<br>(Audited) |
|---|---|----------------------------------|
| Increase in discount rate of 1%           | <b>(1,569,720)</b>                      | (1,242,976)                      |
| Decrease in discount rate of 1%           | <b>1,782,176</b>                        | 2,650,052                        |
| Increase in rate of salary increase of 1% | <b>1,872,191</b>                        | 140,364                          |
| Decrease in rate of salary increase of 1% | <b>(1,683,085)</b>                      | (2,832,148)                      |

**16. TRADE AND OTHER PAYABLES**

|                                       | <b>30 June<br/>2022<br/>(Unaudited)</b> | 31 December<br>2021<br>(Audited) |
|---------------------------------------|---|----------------------------------|
| <i><b>Non-Current liabilities</b></i> |   |                                  |
| Other long-term liabilities           | <b>5,888,293</b>                        | 5,693,181                        |
| <i><b>Current liabilities</b></i>     |   |                                  |
| Trade payables                        | <b>62,687,300</b>                       | 56,876,508                       |
| Accrued expenses                      | <b>37,523,528</b>                       | 30,760,746                       |
| Deferred revenues                     | <b>14,639,260</b>                       | 15,067,514                       |
| Other payables                        | <b>8,993,691</b>                        | 8,124,564                        |
|                                       | <b>123,843,779</b>                      | 110,829,332                      |

- 16.1 Deferred revenue includes the amount received from supplier as signing bonus amounting to USD 7 million (SR 26.2 million) during 2018 which is being amortized based on the quantity procured in accordance with the terms of the contract.
- 16.2 No interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.
- 16.3 Other payables include additional losses against investment on Associate amounting to SR 1.28 million (2021: SR 0.96 million) since the Group has legal and constructive obligation to record additional losses in proportion to its ownership percentage in accordance with the terms of the agreement.

**ALAMAR FOODS COMPANY**  
**(A CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

*(Amount in Saudi Riyals)*

**17. REVENUE**

*Revenue streams*

The Group generates revenue primarily from the sale of food and beverages:

|                   | <b>30 June<br/>2022<br/>(Unaudited)</b> | <b>30 June<br/>2021<br/>(Unaudited)</b> |
|-------------------|---|---|
| Sale of products: |   |   |
| - Domino's Pizza  | 476,557,801                             | 361,830,492                             |
| - Dunkin Donuts   | 41,435,635                              | 22,717,874                              |
| - Other           | 8,954,732                               | 17,104,857                              |
|                   | <b>526,948,168</b>                      | <b>401,653,223</b>                      |

**Disaggregation of revenue**

In the following table, revenue from contracts with customers is disaggregated by primary geographical market and timing of revenue recognition.

|   | <b>30 June<br/>2022<br/>(Unaudited)</b> | <b>30 June<br/>2021<br/>(Unaudited)</b> |
|---|---|---|
| <i>Primary geographical markets</i>     |   |   |
| Kingdom of Saudi Arabia                 | 347,775,690                             | 281,152,667                             |
| Other GCC and Levant                    | 112,117,943                             | 79,495,151                              |
| North Africa                            | 67,054,535                              | 41,005,405                              |
| Net revenue as reported in note 24      | <b>526,948,168</b>                      | <b>401,653,223</b>                      |
| Products transferred at a point in time | <b>526,948,168</b>                      | <b>401,653,223</b>                      |

**18. CAPITAL COMMITMENTS**

The Group had capital commitments of SR 18.1 million for the construction of new outlets at the reporting date (31 December 2021: SR 10.1 million).

**19. FINANCIAL INSTRUMENTS**

**Capital management**

The Group manages its capital to ensure it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the equity balance. The Group's overall strategy remains unchanged from the previous year.

The capital structure of the Group consists of equity comprising share capital, statutory reserve, additional contribution to capital and retained earnings.

**ALAMAR FOODS COMPANY**  
**(A CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**  
*(Amount in Saudi Riyals)*

**19. FINANCIAL INSTRUMENTS (CONTINUED)**

**Categories of financial instruments:**

|                                     | <b>30 June<br/>2022<br/>(Unaudited)</b> | <b>31 December<br/>2021<br/>(Audited)</b> |
|-------------------------------------|---|---|
| <b>Financial assets</b>             |   |   |
| <i>Amortized cost</i>               |   |   |
| Cash and cash equivalents (note 10) | <b>204,521,300</b>                      | 190,567,259                               |
| Trade and other receivables         | <b>37,121,927</b>                       | 31,788,588                                |
| Due from related parties (note 9)   | <b>3,463,264</b>                        | 25,178,420                                |
| <b>Financial liabilities</b>        |   |   |
| <i>Amortized cost</i>               |   |   |
| Trade and other payables            | <b>109,507,025</b>                      | 95,761,818                                |
| Due to related parties (note 9)     | <b>5,487,205</b>                        | 2,489,403                                 |
| Employees benefits (note 15)        | <b>17,903,034</b>                       | 19,550,194                                |
| Lease liabilities (note 14)         | <b>221,722,081</b>                      | 227,035,252                               |
| Loans and borrowings (note 21)      | <b>4,663,034</b>                        | 4,830,024                                 |

Fair values of financial assets and financial liabilities measured at amortized cost are not significantly different from their carrying amounts.

**Financial risk management objectives and policies**

The Group's activities expose it to a variety of financial risks which mainly include market risk, credit risk and liquidity risk. The Board of Directors of the Group has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is also responsible for developing and monitoring the Group's risk management policies.

**Market risk**

Market risk is the risk that the fair value or the future cash flows of a financial instruments may fluctuate as a result of changes in market prices. Market risk comprises three types of risks: currency risk, yield / interest rate risk and other price risk. The Group was not exposed significantly to market risk during the period under review. There were no changes in these circumstances from the previous year.

**Foreign currency risk management**

The Group did not have any significant foreign currency denominated monetary assets or liabilities at the reporting date for which it was exposed to any material foreign currency fluctuations. Foreign currency risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. Translation-related risks are therefore not included in the assessment of the entity's exposure to currency risks. Accordingly, no foreign currency sensitivity analysis has been presented.

**Interest rate and liquidity risks management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group did not have any significant exposure to movements in interest rates at the current or prior reporting date. Consequently, no interest rate sensitivity analysis has been presented.

**ALAMAR FOODS COMPANY**  
**(A CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

*(Amount in Saudi Riyals)*

**19. FINANCIAL INSTRUMENTS (CONTINUED)**

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows:

| <b>30 June 2022</b>      |                        |                        |                               |                        |                    |
|--------------------------|------------------------|------------------------|-------------------------------|------------------------|--------------------|
| <b>(Unaudited)</b>       |                        |                        |                               |                        |                    |
| <b>Details</b>           | <b>Interest rate %</b> | <b>Within one year</b> | <b>One year to five years</b> | <b>Over five years</b> | <b>Total</b>       |
| Trade and other payables | Interest free          | 109,507,025            | --                            | --                     | 109,507,025        |
| Due to related parties   | Interest free          | 5,487,205              | --                            | --                     | 5,487,205          |
| Employee benefits        | Interest free          | 17,903,034             | --                            | --                     | 17,903,034         |
| Lease liabilities        | 3-6%                   | 88,623,744             | 137,423,123                   | 25,738,350             | 251,785,217        |
| Loans and borrowings     | 3-4%                   | 2,598,277              | 2,301,093                     | --                     | 4,899,370          |
|                          |                        | <b>224,119,285</b>     | <b>139,724,216</b>            | <b>25,738,350</b>      | <b>389,581,851</b> |
| <b>31 December 2021</b>  |                        |                        |                               |                        |                    |
| <b>(Audited)</b>         |                        |                        |                               |                        |                    |
| <b>Details</b>           | <b>Interest Rate %</b> | <b>Within one year</b> | <b>One year to five years</b> | <b>Over five years</b> | <b>Total</b>       |
| Trade and other payables | Interest free          | 95,761,818             | --                            | --                     | 95,761,818         |
| Due to related parties   | Interest free          | 2,489,403              | --                            | --                     | 2,489,403          |
| Employee benefits        | Interest free          | 19,550,194             | --                            | --                     | 19,550,194         |
| Loans and borrowings     | 3-6%                   | 1,646,857              | 3,183,167                     | --                     | 4,830,024          |
| Lease liabilities        | 3-4%                   | 94,769,504             | 145,157,334                   | 18,080,667             | 258,007,505        |
|                          |                        | <b>214,217,776</b>     | <b>148,340,501</b>            | <b>18,080,667</b>      | <b>380,638,944</b> |

**Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 30 June 2022, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognized financial assets as stated in the statement of financial position. The Group performs credit-vetting procedures which are reviewed and updated on an ongoing basis before granting credit to its customers.

Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Group reviews the recoverable amount of each trade receivable on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the directors of the Group consider that the Group's credit risk is significantly reduced.

Trade receivables consist mainly aggregators. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group is primarily engaged in the cash business and trade receivables are mainly on account of sub-franchise fee. The Group had 5 (31 December 2021: 3) trade receivables at the reporting date which comprised more than 98% (31 December 2021: 97%) of the trade receivable balance.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

**ALAMAR FOODS COMPANY**  
**(A CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

*(Amount in Saudi Riyals)*

**20. RETIREMENT BENEFIT INFORMATION**

The Group makes contributions for a defined contribution retirement benefit plan to the General Organization for Social Insurance in respect of its Saudi employees. The total amount expensed during the period in respect of this plan was SR 2.29 million (30 June 2021: SR 1.29 million).

**21. LOANS AND BORROWINGS**

The Group has secured bank facilities and loans in the form of multi-purpose import facility, letters of credit, bonds, short-term finance, and loans from local commercial banks. These facilities bear finance charges at ranging between 3% - 6%. These facilities and loans are secured against promissory notes, personal and corporate guarantees.

|  | <b>30 June<br/>2022<br/>(Unaudited)</b> | <b>31 December<br/>2021<br/>(Audited)</b> |
|--|---|---|
| <i><b>Non-Current liabilities</b></i>  |   |   |
| Loan and borrowings                    | <b>2,150,834</b>                        | 3,183,167                                 |
| <i><b>Current liabilities</b></i>      |   |   |
| Current portion of loan and borrowings | <b><u>2,512,200</u></b>                 | <u>1,646,857</u>                          |
|  | <b><u>4,663,034</u></b>                 | <u>4,830,024</u>                          |

**22. CONTINGENT LIABILITIES**

As at 30 June 2022, the Group has utilized balances of irrevocable letter of guarantees from local commercial bank amounting to SR 6.1 million (31 December 2021: SR 5.8 million).

Contingencies:

There were no contingencies in existence at the reporting period 30 June 2022 except for the following:

Zakat and income tax declaration up to and including the year ended 31 December 2021 have been submitted to the Zakat, Tax and Customs Authority ('ZATCA').

During 2020, ZATCA had raised an assessment for the year ended 31 December 2018, amounting to SR 4.4 million initially, which is subsequently reduced to SR 2.1 million based on partial acceptance of appeal of the Company. The Company has filed appeal in respect of revised assessment which is still under review. The tax advisor of the Company expects that the appeal will be decided in favor of the Company.

Income tax declarations for foreign jurisdictions were submitted to the relevant authorities up to year ended 31 December 2021. There are no material open assessments or claims as at 30 June 2022.

**ALAMAR FOODS COMPANY**  
**(A CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

*(Amount in Saudi Riyals)*

**23. GOODWILL**

Goodwill represents goodwill arising from the acquisition of HEA Trade and Services Company - Morocco which has been recognized as follows:

|  | <b>30 June<br/>2022<br/>(Unaudited)</b> | 31 December<br>2021<br>(Audited) |
|--|---|----------------------------------|
| Consideration transferred  | 26,258,883                              | 26,258,883                       |
| NCI, based on their proportionate interest in the recognized amounts of the assets and liabilities | 3,189,871                               | 3,189,871                        |
| Identifiable net assets acquired   | <u>(6,254,650)</u>                      | <u>(6,254,650)</u>               |
| Goodwill   | 23,194,104                              | 23,194,104                       |
| Accumulated foreign currency translation change  | <u>(862,360)</u>                        | 1,568,110                        |
| Net goodwill reported in the statement of financial position                                       | <u>22,331,744</u>                       | <u>24,762,215</u>                |

Goodwill is retranslated at rates prevailing at the reporting date and a decrease of SR 2.4 Million for the period is recognized in foreign currency translation reserve.

**24. REPORTING SEGMENTS**

*Basis of segmentation:*

Beginning with the third quarter 2021, the Group reports Core Segment results as follows:

| <b><u>Reportable segments</u></b> | <b><u>Previous reportable segments</u></b> |
|-----------------------------------|--|
| Kingdom of Saudi Arabia           | Alamar Foods – KSA                         |
| Other GCC and Levant              | Alamar Foods LLC – UAE                     |
| North Africa                      | Alamar Foods DMCC – UAE                    |

The segment reporting changes reflect a corresponding change in how the Company's Board of Directors (its chief operating decision maker) reviews financial information in order to allocate resources and assess performance. The Group's Board of Directors reviews the internal management reports of each segment at least quarterly.

These changes have no impact on previously reported consolidated statement of financial position, statements of profit or loss and other comprehensive income and changes in equity or cash flows.

The Group has the following three strategic divisions, which are its reportable segments. These divisions offer products and services in different geographical regions and are managed separately.

The following summary describes the operations of each reportable segment.

| <b>Reportable segments</b> | <b>Operations</b>   |
|----------------------------|---|
| Kingdom of Saudi Arabia    | Establishing, operating and managing of fast-food restaurants |
| Other GCC and Levant       | Establishing, operating and managing of fast-food restaurants |
| North Africa               | Establishing, operating and managing of fast-food restaurants |

The Group's Board of Directors reviews the internal management reports of each segment at least quarterly.

**ALAMAR FOODS COMPANY**  
**(A CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**  
*(Amount in Saudi Riyals)*

**24. REPORTING SEGMENTS (CONTINUED)**

*Information about reportable segments:*

|  | Reporting Segments         |                         |              | Total<br>reportable<br>segments |
|--|----------------------------|-------------------------|--------------|---------------------------------|
|  | Kingdom of<br>Saudi Arabia | Other GCC<br>and Levant | North Africa |                                 |
| External revenue                             | 347,775,690                | 112,117,943             | 67,054,535   | 526,948,168                     |
| Internal revenue                             | 474,682                    | 13,007,665              | 920,103      | 14,402,450                      |
| Segment revenue                              | 348,250,372                | 125,125,608             | 67,974,638   | 541,350,618                     |
| External revenue as reported in note 17      | 347,775,690                | 112,117,943             | 67,054,535   | 526,948,168                     |
| <b>Major products</b>                        |                            |                         |              |                                 |
| Domino's Pizza                               | 338,954,441                | 111,984,460             | 25,618,900   | 476,557,801                     |
| Dunkin Donuts                                | --                         | --                      | 41,435,635   | 41,435,635                      |
| Other  | 9,295,931                  | 13,141,148              | 920,103      | 23,357,182                      |
|  | 348,250,372                | 125,125,608             | 67,974,638   | 541,350,618                     |
| <b>Timing of revenue recognition</b>         |                            |                         |              |                                 |
| Point in time                                | 348,250,372                | 125,125,608             | 67,974,638   | 541,350,618                     |
| Segment profit before zakat and income tax   | 61,766,325                 | 10,722,897              | 1,189,310    | 73,678,532                      |
| Interest expense                             | (3,469,551)                | (2,268,981)             | (3,297,115)  | (9,035,647)                     |
| Depreciation:                                |                            |                         |              |                                 |
| - Property and equipment                     | (9,179,962)                | (4,573,495)             | (3,154,979)  | (16,908,436)                    |
| - Right of use assets                        | (19,890,843)               | (8,618,955)             | (6,318,082)  | (34,827,880)                    |
| Share of losses of equity-accounted investee | (317,720)                  | 329,276                 | --           | 11,556                          |
|  | 188,759,243                | 108,610,068             | 89,676,684   | 387,045,995                     |
| 30 June 2022 (unaudited)                     | 552,593,012                | 279,758,382             | 124,125,014  | 956,476,407                     |
| Segment non-current assets*                  | 221,227,887                | 217,231,208             | 103,625,723  | 542,084,819                     |
| Segment assets                               |                            |                         |              |                                 |
| Segment liabilities                          |                            |                         |              |                                 |



**ALAMAR FOODS COMPANY**  
**(A CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**  
*(Amount in Saudi Riyals)*

**24. REPORTING SEGMENTS (CONTINUED)**

*Information about reportable segments:*

| 30 June 2021 (Unaudited)<br>Restated for reporting segment change | Reporting Segments      |                      |              | Total reportable segments |
|---|-------------------------|----------------------|--------------|---------------------------|
|   | Kingdom of Saudi Arabia | Other GCC and Levant | North Africa |                           |
| External revenue  | 281,152,667             | 79,495,151           | 41,005,405   | 401,653,223               |
| Internal revenue  | 294,627                 | 10,016,932           | 733,576      | 11,045,135                |
| Segment revenue   | 281,447,294             | 89,512,083           | 41,738,981   | 412,698,358               |
| External revenue as reported in note 17                           | 281,152,667             | 79,495,151           | 41,005,405   | 401,653,223               |
| <b>Major products</b>   |                         |                      |              |                           |
| Domino's Pizza  | 264,346,645             | 79,495,150           | 17,988,697   | 361,830,492               |
| Dunkin Donuts   | --                      | --                   | 22,717,874   | 22,717,874                |
| Other   | 17,100,649              | 10,016,933           | 1,032,410    | 28,149,992                |
|   | 281,447,294             | 89,512,083           | 41,738,981   | 412,698,358               |
| <b>Timing of revenue recognition</b>                              |                         |                      |              |                           |
| Point in time   | 281,447,294             | 89,512,083           | 41,738,981   | 412,698,358               |
| Segment profit (loss) before tax                                  | 55,702,030              | 12,029,295           | (1,687,673)  | 66,043,652                |
| Interest expense  | (3,240,770)             | (1,620,154)          | (2,789,670)  | (7,650,594)               |
| Depreciation:   |                         |                      |              |                           |
| - Property and equipment  | (9,482,128)             | (3,595,305)          | (2,475,089)  | (15,552,522)              |
| - Right of use assets   | (18,988,045)            | (6,892,340)          | (5,556,147)  | (31,436,533)              |
| Share of losses of equity-accounted investee                      | (413,973)               | --                   | --           | (413,973)                 |
| 31 December 2021 (Audited)  |                         |                      |              |                           |
| Segment non-current assets*                                       | 190,459,402             | 192,149,220          | 92,136,265   | 474,744,887               |
| Segment assets  | 550,492,765             | 270,705,536          | 127,354,639  | 948,552,940               |
| Segment liabilities   | 218,073,571             | 219,074,848          | 104,264,764  | 541,413,183               |

\*Non-current assets exclude financial instruments and deferred tax assets

**ALAMAR FOODS COMPANY**  
**(A CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**  
*(Amount in Saudi Riyals)*

**24. REPORTING SEGMENTS (CONTINUED)**

*Information about reportable segments:*

Reconciliations of information on reportable segments to the amounts reported in the consolidated financial statements:

i. Revenue:

|                                       | 30 June<br>2022<br><b>(Unaudited)</b> | 30 June<br>2021<br><b>(Unaudited)</b> |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Total revenue for reportable segments | 541,350,618                           | 412,698,358                           |
| Elimination of inter-segment revenue  | <b>(14,402,450)</b>                   | <b>(11,045,135)</b>                   |
| Consolidated revenue                  | <b>526,948,168</b>                    | <b>401,653,223</b>                    |

ii. Profit /(loss) before zakat and tax:

|   | 30 June<br>2022<br><b>(Unaudited)</b> | 30 June<br>2021<br><b>(Unaudited)</b> |
|---|---------------------------------------|---------------------------------------|
| Total profit /(loss) before zakat and tax for reportable segments | 73,678,532                            | 66,043,652                            |
| Unallocated corporate items                                       | <b>(787,372)</b>                      | <b>(255,288)</b>                      |
| Consolidated profit before zakat and tax                          | <b>72,891,160</b>                     | <b>65,788,364</b>                     |

iii. Assets:

|                                       | 30 June<br>2022<br><b>(Unaudited)</b> | 31 December<br>2021<br><b>(Audited)</b> |
|---------------------------------------|---------------------------------------|---|
| Total assets for reportable segments  | 956,476,407                           | 948,552,940                             |
| Elimination of inter-segment balances | <b>(196,334,774)</b>                  | <b>(198,646,799)</b>                    |
| Consolidated total assets             | <b>760,141,633</b>                    | <b>749,906,141</b>                      |

iv. Liabilities:

|   | 30 June<br>2022<br><b>(Unaudited)</b> | 31 December<br>2021<br><b>(Audited)</b> |
|---|---------------------------------------|---|
| Total liabilities for reportable segments | 542,084,819                           | 541,413,183                             |
| Elimination of inter-segment balances     | <b>(127,216,590)</b>                  | <b>(131,871,933)</b>                    |
| Consolidated total liabilities            | <b>414,868,229</b>                    | <b>409,541,250</b>                      |

v. Other material items:

| <b>30 June 2022 (Un-audited)</b>            | <b>Reportable<br/>segments total</b> | <b>Consolidated</b> |
|---|--------------------------------------|---------------------|
| Interest expense                            | (9,035,647)                          | (9,035,647)         |
| Depreciation:                               |                                      |                     |
| - Property and equipment                    | (16,908,436)                         | (16,908,436)        |
| - Right of use assets                       | (34,827,880)                         | (34,827,880)        |
| Share of gains of equity-accounted investee | 11,556                               | 11,556              |

**ALAMAR FOODS COMPANY**  
**(A CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**  
*(Amount in Saudi Riyals)*

**24. REPORTING SEGMENTS(CONTINUED)**

| <u>30 June 2021 (Un-audited)</u>             | <u>Reportable<br/>segments<br/>total</u> | <u>Consolidated</u> |
|--|--|---------------------|
| Interest expense                             | (7,650,594)                              | (7,650,594)         |
| Depreciation:                                |  |                     |
| - Property and equipment                     | (15,552,522)                             | (15,552,522)        |
| - Right of use assets                        | (31,436,533)                             | (31,436,533)        |
| Share of losses of equity-accounted investee | (413,973)                                | (413,973)           |

**25. BASIC AND DILUTED EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the profit for the period attributable to the ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

The diluted earnings per share is same as basic earnings per share as the Group does not have any dilutive instruments in issues.

|   | <u>For the three months<br/>period</u>  |                                | <u>For the six months<br/>period</u>    |                                |
|---|---|--------------------------------|---|--------------------------------|
|   | <u>30 June<br/>2022<br/>(Unaudited)</u> | 30 June<br>2021<br>(Unaudited) | <u>30 June<br/>2022<br/>(Unaudited)</u> | 30 June<br>2021<br>(Unaudited) |
| Profit for the period                     | 23,980,641                              | 25,514,329                     | 67,222,454                              | 61,905,126                     |
| Weighted average number of shares         | 25,200,000                              | 25,200,000                     | 25,200,000                              | 25,200,000                     |
| Basic and diluted earnings per share (SR) | 0.95                                    | 1.01                           | 2.67                                    | 2.46                           |

**Reconciliation of weighted average  
number of shares**

|                                       |                   |                   |                   |                   |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Outstanding number of ordinary shares | 25,500,000        | 500,000           | 25,500,000        | 500,000           |
| Bonus shares issued during 2021*      | --                | 24,700,000        | --                | 24,700,000        |
| Outstanding number of treasury shares | (300,000)         | --                | (300,000)         | --                |
|                                       | <u>25,200,000</u> | <u>25,200,000</u> | <u>25,200,000</u> | <u>25,200,000</u> |

\* Impact of bonus shares issued during 2021 is adjusted retrospectively for all periods presented in these condensed interim consolidated financial statements.

**26. SUBSEQUENT EVENTS**

Subsequent to the period ended 30 June 2022, the Company's shares started trading on Tadawul as a Joint Stock Company.

No other events have occurred subsequent to the reporting date and before the issuance of these consolidated financial statements which requires adjustment to, or disclosure thereto.

**27. APPROVAL OF FINANCIAL STATEMENTS**

These consolidated financial statements were approved on 19 Muharram 1444H (corresponding to 17 August 2022).