

ALAMAR FOODS COMPANY
(A Joint Stock Company)
**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**
For the three months period ended 31 March 2024
together with the
Independent auditor's review report

ALAMAR FOODS COMPANY
(A JOINT STOCK COMPANY)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024**

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KPMG Professional Services

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Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية

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

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

To the Shareholders of Alamar Foods Company

Introduction

We have reviewed the accompanying 31 March 2024 condensed consolidated interim financial statements of Alamar Foods Company ("the Company") and its subsidiaries ("the Group") which comprises:

- the condensed consolidated statement of financial position as at 31 March 2024;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2024;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2024;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2024; and
- the notes to the condensed consolidated interim financial statements.

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

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2024 condensed consolidated interim financial statements of Alamar Foods Company and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia

KPMG Professional Services

Saleh Mohammed S. Mostafa
License No: 524

Date: 19 May 2024

Corresponding to: 11 Dhu al-Qi'dah 1445H



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كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مغلقة مسجلة في المملكة العربية السعودية، رأس مالها (٤٠,٠٠٠,٠٠٠) ريال سعودي منفوح بالكامل، للمساهمة سابقاً "شركة كي بي إم جي الفزان وشركاه محاسبون ومرجعون قانونيون". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

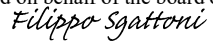
ALAMAR FOODS COMPANY
(A JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
AS AT 31 MARCH 2024
(Amount in Saudi Riyals)

	<i>Note</i>	31 March 2024 (Unaudited)	31 December 2023 (Audited)
ASSETS			
Property and equipment	5	169,149,877	183,350,278
Capital advances	5.1	6,917,575	3,913,553
Right of use assets	6	162,023,663	176,371,400
Goodwill	24	22,345,200	22,818,531
Other intangible assets		10,540,859	11,468,255
Equity-accounted investees		388,446	1,397,186
Advances for investments		5,462,618	5,462,618
Deferred tax assets		672,580	565,451
Non-current assets		377,500,818	405,347,272
Inventories	7	66,422,460	80,354,767
Trade and other receivables	8	84,182,715	79,651,503
Due from related parties	9	6,504,169	3,524,311
Cash and cash equivalents	10	143,713,683	150,123,573
Current assets		300,823,027	313,654,154
TOTAL ASSETS		678,323,845	719,001,426
EQUITY AND LIABILITIES			
Equity			
Share capital	11	255,000,000	255,000,000
Treasury shares	11	(2,325,000)	(2,325,000)
Statutory reserve	12	25,766,788	25,766,788
Employee stock plan reserve	13	4,221,667	3,588,417
Other reserve	13	7,462,500	7,462,500
Retained earnings		31,213,708	58,946,526
Foreign currency translation reserve		(36,533,001)	(25,350,929)
Equity attributable to owners of the Company		284,806,662	323,088,302
Non-controlling interest		(2,968,890)	(2,711,020)
Total equity		281,837,772	320,377,282
Lease liabilities	15	110,063,803	121,621,649
Employee benefits	16	38,373,190	36,056,224
Trade and other payables	17	2,497,078	4,104,536
Loans and borrowings	22	3,415,669	--
Deferred tax liabilities		1,034,995	1,580,999
Non-current liabilities		155,384,735	163,363,408
Lease liabilities	15	67,052,585	72,848,755
Employee benefits	16	16,296,929	15,811,631
Trade and other payables	17	138,293,487	128,279,473
Due to related parties	9	3,555,291	4,176,827
Current portion of loans and borrowings	22	5,226,271	4,809,285
Provision for Zakat and income tax	23	10,676,775	9,334,765
Current liabilities		241,101,338	235,260,736
Total liabilities		396,486,073	398,624,144
TOTAL EQUITY AND LIABILITIES		678,323,845	719,001,426

The accompanying notes (1) through (28) form an integral part of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements shown on pages 2 to 28 were approved on 8 Dhu al-Qi'dah 1445H (corresponding to 16 May 2024) and signed on behalf of the board of directors by:


Ibrahim A. AlJammaz
Chairman of Board


Filippo Sgattori
Chief Executive Officer


Yaser AlMasri
Chief Financial Officer

ALAMAR FOODS COMPANY
(A JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024
(Amount in Saudi Riyals)

	<i>Note</i>	31 March 2024	31 March 2023
Revenue	18	206,853,460	249,746,500
Cost of sales		(156,203,838)	(179,781,488)
Gross profit		50,649,622	69,965,012
Selling and distribution expenses		(35,618,531)	(30,179,530)
Administrative expenses		(23,978,129)	(24,272,645)
Other income		2,398,140	5,123,765
Impairment loss / (reversal) on trade and other receivables	8	(3,921,654)	2,042,200
Impairment on property and equipment	5	(800,000)	-
Employees share plan compensation expense	13	(885,750)	(3,295,000)
Operating (loss) / profit		(12,156,302)	19,383,802
Finance costs and bank charges		(3,581,945)	(4,222,415)
Finance income		1,387,091	1,069,893
Share of losses of equity-accounted investee		(1,575,130)	(511,475)
(Loss) / profit before zakat and tax		(15,926,286)	15,719,805
Zakat and income tax		(1,781,780)	(1,859,030)
(Loss) / profit for the period		(17,708,066)	13,860,775
Other comprehensive loss			
<i>Item that are reclassified subsequently to profit or loss</i>			
Foreign operation – foreign currency translation differences		(11,319,415)	(4,679,173)
Other comprehensive loss for the period		(11,319,415)	(4,679,173)
Total comprehensive (loss) / income for the period		(29,027,481)	9,181,602
(Loss) / profit attributable to:			
Owners of the Company		(16,624,386)	14,323,714
Non-controlling interests		(1,083,680)	(462,939)
		(17,708,066)	13,860,775
Total comprehensive (loss) / income attributable to:			
Owners of the Company		(27,768,179)	9,719,638
Non-controlling interests		(1,259,302)	(538,036)
		(29,027,481)	9,181,602
(Loss) / earnings per share – basic	26	(0.66)	0.57
(Loss) / earnings per share - diluted	26	(0.66)	0.56

The accompanying notes (1) through (28) form an integral part of these condensed consolidated interim financial statements.

ALAMAR FOODS COMPANY
(A JOINT STOCK COMPANY)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024

(Amount in Saudi Riyals)

	Share capital	Treasury shares	Statutory reserve	Employees stock plan reserve	Other reserve	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
For the three months ended 31 March 2024										
Balance at 1 January 2024	255,000,000	(2,325,000)	25,766,788	3,588,417	7,462,500	58,946,526	(25,350,929)	323,088,302	(2,711,020)	320,377,282
<i>Total comprehensive loss for the period</i>										
Loss for the period	--	--	--	--	--	(16,624,386)	--	(16,624,386)	(1,083,680)	(17,708,066)
Other comprehensive loss for the period	--	--	--	--	--	--	(11,143,793)	(11,143,793)	(175,622)	(11,319,415)
Total comprehensive loss for the period	--	--	--	--	--	(16,624,386)	(11,143,793)	(27,768,179)	(1,259,302)	(29,027,481)
Equity settled share-based payment	--	--	--	633,250	--	--	--	633,250	--	633,250
Tax recharged	--	--	--	--	--	--	(38,279)	(38,279)	--	(38,279)
Dividends (note 14)	--	--	--	--	--	(10,107,000)	--	(10,107,000)	--	(10,107,000)
Acquisition of NCI (note 1)	--	--	--	--	--	(1,001,432)	--	(1,001,432)	1,001,432	--
Balance at 31 March 2024	255,000,000	(2,325,000)	25,766,788	4,221,667	7,462,500	31,213,708	(36,533,001)	284,806,662	(2,968,890)	281,837,772
For the three months ended 31 March 2023										
Balance at 1 January 2023	255,000,000	(2,700,000)	25,766,788	3,800,000	3,360,000	69,794,884	(20,438,230)	334,583,442	(822,912)	333,760,530
<i>Total comprehensive income for the period</i>										
Profit for the period	--	--	--	--	--	14,323,714	--	14,323,714	(462,939)	13,860,775
Other comprehensive loss for the period	--	--	--	--	--	--	(4,604,077)	(4,604,077)	(75,096)	(4,679,173)
Total comprehensive income for the period	--	--	--	--	--	14,323,714	(4,604,077)	9,719,637	(538,035)	9,181,602
Equity settled share-based payment	--	--	--	2,280,000	--	--	--	2,280,000	--	2,280,000
Dividends (note 14)	--	--	--	--	--	(25,242,500)	--	(25,242,500)	--	(25,242,500)
Balance at 31 March 2023	255,000,000	(2,700,000)	25,766,788	6,080,000	3,360,000	58,876,098	(25,042,307)	321,340,579	(1,360,947)	319,979,632

The accompanying notes (1) through (28) form an integral part of these condensed consolidated interim financial statements.

ALAMAR FOODS COMPANY
(A JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024
(Amount in Saudi Riyals)

	<i>Note</i>	31 March 2024	31 March 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit for the period		(17,708,066)	13,860,775
Adjustments for:			
- Zakat and income tax		1,781,780	1,859,030
- Depreciation of property and equipment	5	9,211,892	9,343,452
- Depreciation of right of use assets	6	18,484,174	17,776,132
- Impairment of fixed assets	5	800,000	--
- Amortization of intangible assets		2,059,255	617,951
- Share of loss in equity-accounted investee		1,575,130	511,475
- Employee benefits	16	2,655,483	1,970,385
- Interest expense of lease liabilities		2,759,029	2,806,627
- Impairment of trade and other receivables	8.1	3,921,654	(2,042,200)
- Employees share plan compensation expense	13	885,750	3,295,000
- Loss on disposal of property and equipment		153,568	(32,512)
- Impairment loss on inventories		128,985	(51,781)
		26,708,634	49,914,334
Changes in:			
Inventories		13,803,322	(6,077,490)
Trade and other receivables		(8,452,866)	(6,312,366)
Due from related parties		(354,865)	(99,462)
Employee benefits		1,135,282	(4,751,374)
Trade and other payables		1,233,166	(7,573,897)
Due to related parties		(621,536)	(140,087)
Cash generated from operations		33,451,137	24,959,658
Zakat and income tax paid		(1,092,903)	--
Employee benefits paid	16	(1,100,791)	(1,726,115)
Net cash generated from operating activities		31,257,443	23,233,543
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	5	(4,821,914)	(14,776,412)
Capital advances	5.1	(3,004,022)	399,242
Acquisition of intangible assets		(1,163,760)	(892,881)
Proceeds from sale of property and equipment		153,568	64,124
Net cash used in investing activities		(8,836,128)	(15,205,927)
CASH FLOWS FROM FINANCING ACTIVITIES			
Movement in loans and borrowings		3,832,655	110,340
Payments of lease liabilities		(19,095,392)	(14,494,489)
Payments of Interest expense of lease liabilities		(2,759,029)	(2,806,627)
Acquisition of NCI		(374,919)	--
Loan to a related party	9	(2,624,993)	--
Net cash used in financing activities		(21,021,678)	(17,190,776)
Net increase / (decrease) in cash and cash equivalents		1,399,637	(9,163,160)
Cash and cash equivalents at beginning of the period		150,123,573	162,091,339
Net exchange differences		(7,809,527)	(2,673,762)
Cash and cash equivalents at 31 March	10	143,713,683	150,254,417

The accompanying notes (1) through (28) form an integral part of these condensed consolidated interim financial statements.

ALAMAR FOODS COMPANY
(A JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024
(Amount in Saudi Riyals)

1. ACTIVITIES

Alamar Foods Company (the “Company” or the “Parent Company”) is a Saudi 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 461 restaurants (31 December 2023: 460) under a Domino’s franchise agreement catering service for cooked and non-cooked food and fast-food meals.
- ii) Administration and operation of 63 restaurants (31 December 2023: 61 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

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

<u><i>Name of the Company</i></u>	<u><i>Place of incorporation</i></u>	<u><i>Principal activity</i></u>	<u><i>Date of acquisition</i></u>	<u><i>Effective holding percentage</i></u>	
				31 March 2024	31 December 2023
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	99.9%	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 JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024
(Amount in Saudi Riyals)

1. ACTIVITIES (CONTINUED)

On 19 December 2023, the shareholders of Alamar Foods LLC (Alamar UAE) entered into a share purchase agreement with the minority shareholders of Alamar Foods Company LLC (Alamar Egypt) and purchased the 0.55% shareholding in Alamar Egypt for SR 374,919. The legal formalities in this respect are in process however, the payment was made on 4 January 2024 which is considered to be the effective date of acquisition.

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 2023 (“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.

ALAMAR FOODS COMPANY
(A JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024
(Amount in Saudi Riyals)

3. USE OF ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

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).

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. Application of new and revised International Financial Reporting Standards (IFRS)

The accounting policies applied by the Group in preparing the financial statements are consistent with those followed in preparing the annual financial statements of the Group for the year ended 31 December 2023 except for the adoption of the new standards which were effective on 1 January 2024.

Following are the new currently effective requirements which are effective for annual periods beginning on 1 January 2024. These requirements does not have any material impact in these condensed consolidated interim financial statements.

Effective Date	New Standard or Amendments
1 January 2024	Non-current liabilities with covenants – Amendments to IAS 1 and
	Classification of liabilities as current or non-current – Amendments to IAS 1
	Lease liability in a sale and leaseback – Amendments to IFRS 16
	Supplier finance agreements -Amendments to IAS 7 and IFRS 7

Following are the forthcoming requirements to standards which are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Group has not early adopted them in preparing these condensed consolidated interim financial statements.

Effective Date	New Standard or Amendments
1 January 2025	Lack of Exchangeability – Amendments to IAS 21
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 JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024

(Amount in Saudi Riyals)

5. PROPERTY AND EQUIPMENT

	<u>Land</u>	<u>Buildings</u>	<u>Leasehold improvements</u>	<u>Furniture</u>	<u>Machines and equipment</u>	<u>Computer devices and hardware</u>	<u>Vehicles</u>	<u>Total</u>
Cost:								
At 1 January 2023	1,900,364	1,689,257	203,842,948	19,351,607	142,043,792	29,408,131	7,856,788	406,092,887
Additions	--	391,353	24,245,397	2,398,195	16,678,594	3,127,970	1,115,232	47,956,741
Transfers	--	--	--	--	59,292	(59,292)	--	--
Disposals	--	--	(661,032)	(282,210)	(1,276,344)	(649,732)	(319,330)	(3,188,648)
Effects of movement in exchange rates	(379,205)	(225,006)	(2,639,045)	(538,808)	(2,939,646)	(348,026)	(192,729)	(7,262,465)
At 31 December 2023	1,521,159	1,855,604	224,788,268	20,928,784	154,565,688	31,479,051	8,459,961	443,598,515
Additions	--	--	3,561,926	109,391	1,044,169	88,971	17,457	4,821,914
Disposals	--	--	(26,184)	(92,560)	(187,342)	(3,425)	--	(309,511)
Effects of movement in exchange rates	(525,337)	(423,090)	(5,774,665)	(814,798)	(5,970,408)	(655,127)	(404,164)	(14,567,589)
At 31 March 2024	995,822	1,432,514	222,549,345	20,130,817	149,452,107	30,909,470	8,073,254	433,543,329
Accumulated depreciation:								
At 1 January 2023	--	333,895	98,939,795	13,353,480	84,683,506	22,433,238	5,650,329	225,394,243
Charge for the year	--	33,796	19,997,173	1,457,331	12,764,729	2,696,243	841,508	37,790,780
Impairment	--	--	1,026,722	--	--	--	--	1,026,722
Transfers	--	--	4,050	--	8,029	(8,029)	--	4,050
Disposals	--	--	(603,837)	(207,706)	(1,046,831)	(642,311)	(320,672)	(2,821,357)
Exchange rates movements	--	(25,391)	3,736	(126,593)	(857,481)	(33,637)	(106,835)	(1,146,201)
At 31 December 2023	--	342,300	119,367,639	14,476,512	95,551,952	24,445,504	6,064,330	260,248,237
Charge for the period	--	8,026	5,194,523	325,487	2,868,906	609,434	205,516	9,211,892
Impairment	--	--	800,000	--	--	--	--	800,000
Disposals	--	--	(19,670)	(91,999)	(197,842)	--	--	(309,511)
Exchange rates movements	--	(40,939)	(2,736,657)	(394,912)	(1,945,784)	(194,348)	(244,526)	(5,557,166)
At 31 March 2024	--	309,387	122,605,835	14,315,088	96,277,232	24,860,590	6,025,320	264,393,452
Net book value:								
At 31 March 2024	995,822	1,123,127	99,943,510	5,815,729	53,174,875	6,048,880	2,047,934	169,149,877
At 31 December 2023	1,521,159	1,513,304	105,420,629	6,452,272	59,013,736	7,033,547	2,395,631	183,350,278

5.1 Capital advances as of 31 March 2024 include an amount of SR 4.4 million (31 December 2023: SR 3.9 million) which is capitalized and primarily relating to certain stores and head office assets improvements in progress.

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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.

	Buildings	Vehicles	Total
Cost:			
At 1 January 2023 (Audited)	351,824,766	49,021,494	400,846,260
Contract modification	281,993	--	281,993
Additions	45,782,313	5,469,777	51,252,090
Disposals	(41,595,888)	(7,129,006)	(48,724,894)
Exchange rates movements	(6,931,191)	370,942	(6,560,249)
At 31 December 2023 (Audited)	<u>349,361,993</u>	<u>47,733,207</u>	<u>397,095,200</u>
Modifications	3,500,000	--	3,500,000
Additions	5,974,041	2,233,099	8,207,140
Disposals	(248,285)	--	(248,285)
Exchange rates movements	<u>(14,152,524)</u>	<u>(146,472)</u>	<u>(14,298,996)</u>
At 31 March 2024 (Unaudited)	<u>344,435,225</u>	<u>49,819,834</u>	<u>394,255,059</u>
Accumulated depreciation:			
At 1 January 2023 (Audited)	174,599,409	17,391,746	191,991,155
Charge for the year	62,570,319	9,395,247	71,965,566
Disposal	(35,651,817)	(5,743,540)	(41,395,357)
Exchange rates movements	(2,013,458)	175,894	(1,837,564)
At 31 December 2023 (Audited)	<u>199,504,453</u>	<u>21,219,347</u>	<u>220,723,800</u>
Charge for the period	15,702,523	2,781,651	18,484,174
Disposals	(34,734)	--	(34,734)
Exchange rates movements	<u>(6,866,767)</u>	<u>(75,077)</u>	<u>(6,941,844)</u>
At 31 March 2024 (Unaudited)	<u>208,305,475</u>	<u>23,925,921</u>	<u>232,231,396</u>
Net book values:			
At 31 March 2024 (Unaudited)	<u>136,129,750</u>	<u>25,893,913</u>	<u>162,023,663</u>
At 31 December 2023 (Audited)	<u>149,857,540</u>	<u>26,513,860</u>	<u>176,371,400</u>

7. INVENTORIES

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
Raw materials	58,959,419	72,584,430
Consumables and packing material	7,782,881	7,960,811
Goods in transit	725	1,106
Provision for impairment loss	<u>(320,565)</u>	<u>(191,580)</u>
	<u>66,422,460</u>	<u>80,354,767</u>

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8. TRADE AND OTHER RECEIVABLES

		31 March 2024	31 December 2023
	Note	(Unaudited)	(Audited)
Trade receivables		32,464,163	30,654,417
Impairment loss on trade receivables	8.1	(7,883,005)	(3,782,764)
Net trade receivables		<u>24,581,158</u>	<u>26,871,653</u>
Prepaid expenses		22,951,626	27,400,069
Advances to suppliers		19,084,283	12,912,386
Advances to employees		2,930,991	2,887,450
Other receivables		15,812,358	10,936,233
Less: Impairment loss on other receivables	8.1	(1,177,701)	(1,356,288)
		<u>84,182,715</u>	<u>79,651,503</u>

8.1 Movement in the impairment loss on trade and other receivables for the period / year is as follows:

	31 March 2024	31 December 2023
	(Unaudited)	(Audited)
Balance at beginning of the period / year	5,139,052	5,991,987
Written off during the period / year	--	(324,562)
Net Expense / (reversal)	3,921,654	(528,373)
Balance at end of the period / year	<u>9,060,706</u>	<u>5,139,052</u>

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.

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8. TRADE AND OTHER RECEIVABLES (CONTINUED)

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group'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 Group's different customer types.

31 March 2024 (Un-audited)	Trade receivables – Days past due					Total
	Not past due	<30	31-60	61-90	>90	
Expected credit loss rate %	3%	52%	73%	80%	45%	24%
Gross carrying amount	18,451,034	2,909,950	1,201,019	1,415,714	8,486,447	32,464,163
Lifetime ECL	502,309	1,516,725	871,729	1,131,903	3,860,339	7,883,005

31 December 2023 (Audited)	Trade receivables – Days past due					Total
	Not past due	<30	31-60	61-90	>90	
Expected credit loss rate %	5%	--	--	--	45%	12.3%
Gross carrying amount	20,082,028	1,672,638	1,630,114	1,173,308	6,096,329	30,654,417
Lifetime ECL	1,039,416	--	--	--	2,743,348	3,782,764

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:

	31 March 2024 (Unaudited)	31 March 2023 (Unaudited)
Transactions with Shareholders		
Collections and payments	--	600
Transactions with associate		
Sale of goods	--	3,450
Expenses	36,499	86,698
Royalties	364,991	1,010,193
Collection and payments	12,887	820,814
Other charges	6,053	28,309
Loan / advances given	2,624,993	--

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9. RELATED PARTIES INFORMATION (CONTINUED)

	31 March 2024 (Unaudited)	31 March 2023 (Unaudited)
<i>Transactions with subsidiary companies</i>		
<i>Transactions with entities under common control</i>		
Expenses	247,190	294
Collections and payments	451,850	47,200
<i>Transactions with other related parties</i>		
Expenses	487,219	798,609
Collections and payments	590,828	757,582
Other charges	2,808	1,633

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

	Nature of relationship	31 March 2024 (Unaudited)	31 December 2023 (Audited)
<i>Due from related parties</i>			
Alamar Foods Company, Oman	Associate company	5,054,820	2,084,719
Kasual + Limited Liability Company	Joint venture investment	234,014	234,586
Alamar Foods For Restaurants Management WLL		4,703	4,703
Yasmine Flower Company	Shareholder of subsidiary	1,200,303	1,200,303
Other	Other	10,329	--
		6,504,169	3,524,311
<i>Due to related parties</i>			
AlJammaz Agriculture	Company under common control	294	4,794
Hakam El Abbas	Shareholder of subsidiary	2,105,830	2,382,502
Sovana Inc. USA	Others	91,923	91,923
Intermob	Others	--	140,204
Abdulaziz and Abdullah AlJammaz for Travel & Tourism Company	Company under common control	54,869	255,029
Abdulaziz AlJammaz Heirs	Others	1,302,375	1,302,375
		3,555,291	4,176,827

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.

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9. RELATED PARTIES INFORMATION (CONTINUED)

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

	31 March 2024 (Unaudited)	31 March 2023 (Unaudited)
Short-term benefits	2,712,523	5,751,387
Employee stock plan	855,750	3,295,000
Post-employment benefits	366,895	--

10. CASH AND CASH EQUIVALENTS

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
Cash on hand	1,627,904	2,118,749
Cash at bank	37,758,779	52,528,824
Murabaha contracts*	104,327,000	95,476,000
Cash and cash equivalents	<u>143,713,683</u>	<u>150,123,573</u>

* Maturity dates less than three months and return of 5.73%.

11. SHARE CAPITAL

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
25,500,000 shares of SR10 each	255,000,000	255,000,000
232,500 (2023: 232,500) treasury shares of SR 10 each	<u>2,325,000</u>	<u>2,325,000</u>
<i>Treasury shares:</i>		
Outstanding number of treasury shares 232,500 (2023: 232,500) shares of SR 10 each	<u>2,325,000</u>	<u>2,325,000</u>

12. STATUTORY RESERVE

In accordance with the Company's and Subsidiaries previous By-laws, the Company set aside 10% of its net income each year as statutory reserve until such reserve equals to 30% of the share capital. This reserve is not available for dividend distribution. Further to the changes in the Companies Law effective January 2023, the Company in its extra ordinary general assembly meeting held on 28 December 2023 has amended article 49 related to profit distribution and accordingly no further transfer is made to statutory reserve.

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13. EMPLOYEE SHARE OPTION SCHEME

On 23 May 2023, the Board resolved to amend the Company's employee stock ownership plan by issuing 300,000 treasury shares which shall be granted by the Company as shares to the employees in accordance with the Plan.

The awards are subject to graded vesting. 25% of the awards have vested upon listing in the Tadawul, 35% of the awards will vest on the first anniversary of listing, and the remaining 40% of the awards will vest on the second anniversary of listing, at which point in time, the awards will have fully vested.

The fair values of awards granted will be determined by reference to the market values of the Company's ordinary shares on the grant dates for equity-settled awards and at the Balance Sheet date for cash-settled awards. The fair value of the employee services received in exchange for the grant of shares will be recognized as an expense in profit or loss, together with a corresponding increase in ESP reserves, in equity, over the period during which the vesting conditions are fulfilled. Accordingly, the ESP reserves are transferred to Other reserve account to recognize issuance of new shares.

For shares granted to employees, the fair value of the shares shall be measured at the market value of the entity's shares as at 9 August 2022, 9 August 2023 and 9 March 2024.

The Company recognized the following share-based compensation expense:

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
Equity-settled	633,250	5,101,717
Cash-settled	252,500	1,666,500
	<u>885,750</u>	<u>6,768,217</u>

At 31 March 2024, the total carrying amount of the liabilities in respect of the cash settlement elements of the respective awards was SR 5.6 million (2023: SR 5 million). The total carrying amount of the employee share plan reserve in respect of the equity settlement elements of the respective awards was SR 4.2 million (2023: SR 3.6 million). The total carrying amount of Other reserve which pertains to the vested portion of equity settled share based payment awards is SR 7.5 million (2023: SR 7.5 million)

The reconciliation of share based payment awards is as follows:

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
Outstanding at 9 August opening / grant date	127,500	127,500
Vested during the period – cash settled	(17,500)	(17,500)
Vested during the period – equity settled	(44,500)	(44,500)
Outstanding as at 31 March / 31 December	<u>65,500</u>	<u>65,500</u>

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14. DIVIDENDS

On 15 Ramadan 1445 H corresponding to 25 March 2024, the Board of Directors proposed and approved the distribution of interim dividends to the Company's shareholders of SR 0.4 per share which total Ten Million One Hundred Seven Thousand (SAR 10.1 million) from the Company's retained earnings for the year ended 31 December 2023.

15. LEASE LIABILITIES

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
<i>Non-Current liabilities</i>		
Lease liabilities	<u>110,063,803</u>	<u>121,621,649</u>
<i>Current liabilities</i>		
Current portion of lease liabilities	<u>67,052,585</u>	<u>72,848,755</u>

The Group leased certain of its vehicles and its stores. The average lease term is 5 years (2023: 5 years).

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
<u>Minimum lease payments</u>		
Not later than one year	79,767,723	92,645,968
Later than one year and not later than five years	104,542,797	106,037,179
More than five years	<u>28,328,736</u>	<u>36,868,532</u>
	<u>212,639,256</u>	<u>235,551,679</u>
Less: future finance charges	<u>(35,522,868)</u>	<u>(41,081,275)</u>
Present value of minimum lease payments	<u>177,116,388</u>	<u>194,470,404</u>
<u>Present value of minimum lease payments</u>		
Not later than one year	67,022,794	72,848,755
Later than one year but not later than five years	85,799,184	93,433,930
More than five years	<u>24,294,410</u>	<u>28,187,719</u>
	<u>177,116,388</u>	<u>194,470,404</u>

Movement in lease liability during the year is as follows:

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
Balance on 1 January	194,470,404	225,796,918
Additions	8,207,140	51,252,090
Finance cost	2,759,029	10,189,429
Disposal	--	(11,031,428)
Payments made during the year	<u>(21,854,421)</u>	<u>(76,267,544)</u>
Modification	3,500,000	(73,907)
Exchange rates movements	<u>(9,965,764)</u>	<u>(5,395,154)</u>
Balance as on 31 March / 31 December	<u>177,116,388</u>	<u>194,470,404</u>

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16. EMPLOYEE BENEFITS

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
<i>Non-current liability</i>		
Defined benefit liability	36,568,828	35,154,446
Others	1,804,362	901,778
	38,373,190	36,056,224
<i>Current liabilities:</i>		
Payroll and bonus	1,859,618	1,158,128
Employees share plan liability	5,237,333	4,984,833
Accrued vacation	5,243,748	5,762,808
Accrued air ticket and iqama fees	2,142,256	2,508,132
Others	1,813,974	1,397,730
	16,296,929	15,811,631
	54,670,119	51,867,855

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
Defined benefit liability		
Balance at the beginning of the year	35,154,446	31,731,442
Current service cost	2,456,105	6,601,894
Interest cost	199,378	1,120,707
	2,655,483	7,722,601
Paid during the year	(1,100,791)	(4,187,628)
Actuarial loss arising from		
- Demographic assumptions	--	11,283
- Financial assumptions	--	2,219
- Experience adjustments	--	14,839
	--	28,341
Exchange rate movements	(140,310)	(140,310)
Balance at the end of the year	36,568,868	35,154,446

The most recent actuarial valuation was performed as at 31 December 2023, 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:

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
Discount rate	4.86%	4.86%
Rate of salary increases	5.69%	4.49%

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.

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16. EMPLOYEE BENEFITS (CONTINUED)

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.

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
Increase in discount rate of 1%	(402,257)	(315,941)
Decrease in discount rate of 1%	402,257	369,646
Increase in rate of salary increase of 1%	365,688	370,615
Decrease in rate of salary increase of 1%	<u>(365,688)</u>	<u>(314,590)</u>

17. TRADE AND OTHER PAYABLES

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
<i>Non-Current liabilities</i>		
Other long-term liabilities	<u>2,497,078</u>	<u>4,104,536</u>
<i>Current liabilities</i>		
Trade payables	73,141,500	69,714,265
Accrued expenses	41,885,033	37,693,551
Deferred revenues	7,218,957	7,981,359
Other payables	<u>16,047,997</u>	<u>12,890,298</u>
	<u>138,293,487</u>	<u>128,279,473</u>

- 17.1. 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.
- 17.2. 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.
- 17.3. Other payables include additional losses against investment on Associate amounting to SR 2.4 million (31 December 2023: SR 2.2 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.
- 17.4. Other payables include dividends payable amounting to SR 10.1 million (31 December 2023: SR 0.3 million).

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18. REVENUE

Revenue streams

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

	31 March 2024 (Unaudited)	31 March 2023 (Unaudited)
Sale of products:		
- Domino's Pizza	193,439,789	230,679,991
- Dunkin Donuts	10,557,772	15,521,259
- Other	2,855,899	3,545,250
	<u>206,853,460</u>	<u>249,746,500</u>

Disaggregation of revenue

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

	31 March 2024 (Unaudited)	31 March 2023 (Unaudited)
<i>Primary geographical markets</i>		
Kingdom of Saudi Arabia	141,547,193	170,722,264
Other GCC and Levant	44,247,991	51,913,039
North Africa	21,058,276	27,111,197
Net revenue as reported in note 25	<u>206,853,460</u>	<u>249,746,500</u>
Products transferred at a point in time	<u>206,853,460</u>	<u>249,746,500</u>

19. CAPITAL COMMITMENTS AND CONTINGENCIES

The Group had capital commitments of SR 2.6 million at the reporting date relating to property and equipment (31 December 2023: SR 11.69 million).

As at 31 March 2024, the Group has utilized balances of irrevocable letter of guarantees from local commercial bank amounting to SR 6.99 million (31 December 2023: SR 6.99 million).

20. 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.

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20. FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments:

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
Financial assets		
<i>Amortized cost</i>		
Cash and cash equivalents (note 10)	143,713,683	150,123,573
Trade and other receivables	39,215,815	36,451,598
Due from related parties (note 9)	6,504,169	3,524,311
Financial liabilities		
<i>Amortized cost</i>		
Trade and other payables	131,074,530	120,298,114
Loan and borrowings	8,641,940	4,809,285
Lease liabilities	177,116,388	194,470,404
Employees payable	16,296,929	15,811,631
Due to related parties	3,555,291	4,176,827

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.

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20. 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:

31 March 2024
(Unaudited)

Details	Interest rate %	Within one year	One year to five years	Over five years	Total
Trade and other payables	Interest free	131,074,530	--	--	131,074,530
Due to related parties	Interest free	3,555,291	--	--	3,555,291
Employee benefits	Interest free	16,296,929	--	--	16,296,929
Lease liabilities	3-4%	79,767,723	104,542,797	28,328,736	212,639,256
Loans and borrowings	3-6%	5,226,271	3,415,669	--	8,641,940
		<u>235,920,744</u>	<u>107,958,466</u>	<u>28,328,736</u>	<u>372,207,946</u>

31 December 2023
(Audited)

Details	Interest Rate %	Within one year	One year to five years	Over five years	Total
Trade and other payables	Interest free	120,298,114	--	--	120,298,114
Due to related parties	Interest free	4,176,827	--	--	4,176,827
Employee benefits	Interest free	15,811,631	36,056,224	--	51,867,855
Lease liabilities	3-4%	92,645,968	106,037,179	36,868,532	235,551,679
Loans and borrowings	3-6%	4,809,285	--	--	4,809,285
		<u>237,741,825</u>	<u>142,093,403</u>	<u>36,868,532</u>	<u>416,703,760</u>

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 31 March 2024, 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.

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 and amounts due from aggregators. The Group had 8 trade receivables at the reporting date which comprised more than 76% (31 December 2023: 97% from 3 parties) of the trade receivable balance.

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

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21. 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 1 million (31 March 2023: SR 1.2 million).

22. 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.

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
<i>Non-Current liabilities</i>		
Loan and borrowings	3,415,669	-
<i>Current liabilities</i>		
Current portion of loan and borrowings	5,226,271	4,809,285

23. ZAKAT

Zakat and income tax declarations up to and including the year ended 31 December 2023 have been submitted to the Zakat, Tax and Custom's authority ('ZATCA').

There were no material open assessments or claims as of 31 March 2024.

24. GOODWILL

Movement in goodwill during the year is as follows:

	31 March 2024 (unaudited)	31 December 2023 (audited)
Balance at 1 January	<u>22,818,531</u>	<u>21,576,414</u>
Foreign currency translation	<u>(473,331)</u>	<u>1,242,117</u>
Balance at 31 December	<u>22,345,200</u>	<u>22,818,531</u>

Goodwill is retranslated at rates prevailing at the reporting date and a increase of SR 0.4 million for the period is recognized in foreign currency translation reserve.

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25. REPORTING SEGMENTS

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.

Reportable segments	Operations
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.

Information about reportable segments:

	Reporting Segments			Total reportable segments
	Kingdom of Saudi Arabia	Other GCC and Levant	North Africa	
31 March 2024 (Un-audited)				
External revenue	141,547,193	44,311,323	20,994,944	206,853,460
Internal revenue	388,201	4,997,051	311,546	5,696,798
Segment revenue	141,935,394	49,308,374	21,306,490	212,550,258
External revenue as reported in note 17	141,547,193	44,311,323	20,994,944	206,853,460
Major products				
Domino's Pizza	138,754,625	44,311,323	10,437,173	193,503,121
Dunkin Donuts	--	--	10,557,772	10,557,772
Other	3,180,769	4,997,051	311,545	8,489,365
	141,935,394	49,308,374	21,306,490	212,550,258
Timing of revenue recognition				
Point in time	141,547,193	44,311,323	20,994,944	206,853,460
Segment profit before zakat and income tax				
Interest expense	(1,413,191)	(1,036,244)	(1,132,510)	(3,581,945)
Finance income	1,387,091	--	--	1,387,091
Depreciation:				
- Property and equipment	(4,824,038)	(2,800,400)	(1,587,454)	(9,211,892)
- Right of use assets	(10,424,929)	(4,936,950)	(3,122,295)	(18,484,174)
Share of (losses) / profit of equity-accounted investee	73,604	(1,648,734)	--	(1,575,130)
31 March 2024 (unaudited)				
Segment non-current assets*	244,521,562	138,594,931	68,440,005	451,556,498
Segment assets	618,136,878	222,807,032	104,077,251	945,021,161
Segment liabilities	225,453,013	252,273,530	115,287,492	593,014,035

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25. REPORTING SEGMENTS (CONTINUED)

Information about reportable segments:

	Reporting Segments			Total reportable segments
	Kingdom of Saudi Arabia	Other GCC and Levant	North Africa	
<u>31 March 2023 (Un-audited)</u>				
External revenue	170,722,264	51,913,039	27,111,197	249,746,500
Internal revenue	85,856	6,136,387	329,299	6,551,542
Segment revenue	170,808,120	58,049,426	27,440,496	256,298,042
External revenue as reported in note 17	170,722,264	51,913,039	27,111,197	249,746,500
Major products				
Domino's Pizza	167,177,014	51,913,039	11,589,938	230,679,991
Dunkin Donuts	--	--	15,521,259	15,521,259
Other	3,631,107	6,136,387	329,298	10,096,792
	170,808,121	58,049,426	27,440,495	256,298,042
Timing of revenue recognition				
Point in time	170,808,121	58,049,426	27,440,495	256,298,042
Segment profit before zakat and income tax	14,838,122	(2,371,573)	(4,425,340)	8,041,209
Interest expense	(1,762,143)	(1,154,156)	(1,306,116)	(4,222,415)
Depreciation:				
- Property and equipment	(5,119,282)	(2,819,004)	(1,405,127)	(9,343,452)
- Right of use assets	(10,312,660)	(4,501,193)	(2,962,279)	(17,776,132)
Share of (losses) / profit of equity-accounted investee	(209,687)	(301,788)	--	(511,475)
<u>31 March 2024 (unaudited)</u>				
Segment non-current assets*	195,537,570	115,657,416	78,782,387	389,977,373
Segment assets	554,275,032	305,712,824	110,527,940	976,515,796
Segment liabilities	244,208,275	232,690,712	104,971,751	581,870,738

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

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25. REPORTING SEGMENTS (CONTINUED)

Information about reportable segments:

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

i. Revenue:	31 March 2024 <u>(Unaudited)</u>	31 March 2023 <u>(Unaudited)</u>
Total revenue for reportable segments	212,550,258	256,298,042
Elimination of inter-segment revenue	(5,696,798)	(6,551,542)
Consolidated revenue	<u>206,853,460</u>	<u>249,746,500</u>
ii. Profit /(loss) before zakat and tax:	31 March 2024 <u>(Unaudited)</u>	31 March 2023 <u>(Unaudited)</u>
Total (loss) / profit before zakat and tax for reportable segments	(25,151,645)	8,041,209
Unallocated corporate items	9,225,359	7,678,596
Consolidated profit before zakat and tax	<u>(15,926,286)</u>	<u>15,719,805</u>
iii. Assets:	31 March 2024 <u>(Unaudited)</u>	31 December 2023 <u>(Audited)</u>
Total assets for reportable segments	945,021,161	973,007,278
Elimination of inter-segment balances	(266,697,316)	(254,005,852)
Consolidated total assets	<u>678,323,845</u>	<u>719,001,426</u>
iv. Liabilities:	31 March 2024 <u>(Unaudited)</u>	31 December 2023 <u>(Audited)</u>
Total liabilities for reportable segments	593,014,035	583,736,627
Elimination of inter-segment balances	(196,527,962)	(185,112,483)
Consolidated total liabilities	<u>396,486,073</u>	<u>398,624,144</u>
v. Other material items:	31 March 2024 (Un-audited)	Reportable segments total
Interest expense	3,581,945	3,581,945
Finance income	1,387,091	1,387,091
Depreciation:		
- Property and equipment	9,211,892	9,211,892
- Right of use assets	18,484,174	18,084,174
Share of losses of equity-accounted investee	(1,575,130)	(1,575,130)

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25. REPORTING SEGMENTS (CONTINUED)

<u>31 March 2023 (Un-audited)</u>	<u>Reportable segments total</u>	<u>Consolidated</u>
Interest expense	(4,222,415)	(4,222,415)
Depreciation:		
- Property and equipment	(9,343,452)	(9,343,337)
- Right of use assets	(17,776,132)	(17,775,953)
Share of losses of equity-accounted investee	(511,475)	(511,475)

26. 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.

	For the three months period	
	31 March 2024 (Unaudited)	31 March 2023 (Unaudited)
Basic:		
(Loss) / profit attributable to owners of the Company (SR)	(16,624,386)	14,323,714
Weighted average number of shares	25,267,500	25,230,000
Basic and diluted (loss) / earnings per share (SR)	(0.66)	0.57
Reconciliation of weighted average number of shares		
Outstanding number of ordinary shares at beginning of period	25,500,000	25,500,000
Outstanding number of treasury shares	(232,500)	(270,000)
	25,267,500	25,230,000
Diluted:		
(Loss) / profit for the period	(16,624,386)	14,323,714
Weighted average number of shares (diluted)	25,372,500	25,370,000
Diluted (loss) / earnings per share (SR)	(0.66)	0.56
Reconciliation of weighted average number of shares (diluted)		
Weighted average number of ordinary shares (basic)	25,267,500	25,230,000
Effect of employee share awards vested	105,000	140,000
	25,372,500	25,370,000

27. SUBSEQUENT EVENTS

On 8 Dhu al-Qi'dah 1445H corresponding to 16 May 2024, pursuant to a resolution, the Board of Directors recommended to transfer an amount of SR 21.66 million from the statutory reserve to retained earnings. Also on 8 Dhu al-Qi'dah 1445H corresponding to 16 May 2024, the Board of Directors recommended the distribution of interim dividends to the Company's shareholders of SR 0.4 per share which totals ten million one hundred and seven thousand (SAR 10.1 million) from the Company's retained earnings for the period ended 31 March 2024. The above resolutions are subject to approval at the next Annual General Assembly Meeting.

There have been no other significant subsequent events since the period-end that require adjustment of or disclosure in these condensed consolidated interim financial statements.

28. APPROVAL OF FINANCIAL STATEMENTS

These consolidated financial statements were approved on 8 Dhu al-Qi'dah 1445H (corresponding to 16 May 2024).