

ALAMAR FOODS COMPANY
(A Joint Stock Company)
**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**
For the three and six month periods ended 30 June 2024
together with the
Independent auditor's review report

ALAMAR FOODS COMPANY
(A JOINT STOCK COMPANY)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2024**

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KPMG Professional Services

Roshn Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية

وإجبة 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 30 June 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 30 June 2024;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three and six month periods ended 30 June 2024;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2024;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 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 30 June 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

Al Riyadh, 8 August 2024
Corresponding to: 4 Safar 1446H



KPMG professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia. With the paid-up capital of SAR 40,000,000. (Previously known as "KPMG Al Fozan & Partners Certified Public Accountants") A non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس مالها (٤٠,٠٠٠,٠٠٠) ريال سعودي منفوح بالكامل، المسماة سابقاً "شركة كي بي إم جي الفزان وشركاه محاسبون ومراجعون 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 30 JUNE 2024
(Amount in Saudi Riyals)

		30 June 2024	31 December 2023
	<i>Note</i>	(Unaudited)	(Audited)
ASSETS			
Property and equipment	5	164,149,452	183,350,278
Capital advances	5.1	3,087,722	3,913,553
Right of use assets	6	162,179,340	176,371,400
Goodwill	24	22,598,243	22,818,531
Other intangible assets		10,064,015	11,468,255
Equity-accounted investees		388,446	1,397,186
Advances for investments		5,462,618	5,462,618
Deferred tax assets		514,477	565,451
Non-current assets		368,444,313	405,347,272
Inventories	7	74,209,526	80,354,767
Trade and other receivables	8	93,710,626	79,651,503
Due from related parties	9	7,198,198	3,524,311
Cash and cash equivalents	10	126,368,844	150,123,573
Current assets		301,487,194	313,654,154
TOTAL ASSETS		669,931,507	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	4,108,387	25,766,788
Employee stock plan reserve	13	4,854,917	3,588,417
Other reserve	13	7,462,500	7,462,500
Retained earnings		55,849,018	58,946,526
Foreign currency translation reserve		(37,264,092)	(25,350,929)
Equity attributable to owners of the Company		287,685,730	323,088,302
Non-controlling interest		(3,205,902)	(2,711,020)
Total equity		284,479,828	320,377,282
Lease liabilities	15	110,150,335	121,621,649
Employee benefits	16	37,382,546	36,056,224
Trade and other payables	17	2,347,559	4,104,536
Loans and borrowings	22	3,454,373	--
Deferred tax liabilities		1,017,679	1,580,999
Non-current liabilities		154,352,492	163,363,408
Lease liabilities	15	63,002,092	72,848,755
Employee benefits	16	15,387,466	15,811,631
Trade and other payables	17	138,790,763	128,279,473
Due to related parties	9	3,593,532	4,176,827
Current portion of loans and borrowings	22	3,716,483	4,809,285
Provision for Zakat and income tax	23	6,608,851	9,334,765
Current liabilities		231,099,187	235,260,736
Total liabilities		385,451,679	398,624,144
TOTAL EQUITY AND LIABILITIES		669,931,507	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 26 were approved on 1 Safar 1446H (corresponding to 5 August 2024) and signed on behalf of the board of directors by:

Ibrahim A. AlJammaz
Chairman of Board

Filippo Sgattoni
Chief Executive Officer

Yaser AlMasri
Chief Financial Officer

AS



Filippo Sgattoni



ALAMAR FOODS COMPANY
(A JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2024
(Amount in Saudi Riyals)

	<i>Note</i>	For the three months period		For the six months period	
		30 June 2024	30 June 2023	30 June 2024	30 June 2023
Revenue	18	226,449,709	252,664,230	433,303,169	502,410,730
Cost of sales		(157,605,028)	(174,452,836)	(313,808,866)	(354,234,324)
Gross profit		68,844,681	78,211,394	119,494,303	148,176,406
Selling and distribution expenses		(32,599,639)	(29,036,410)	(68,218,170)	(59,215,940)
Administrative expenses		(21,730,374)	(26,547,673)	(45,708,503)	(50,820,318)
Other income		5,163,729	3,903,469	7,561,869	9,027,234
(Expense) / reversal of impairment loss on trade and other receivables	8.1	(178,346)	--	(4,100,000)	2,042,200
Impairment on property and equipment		--	--	(800,000)	--
Employee share plan compensation expense	13	(642,750)	(3,067,500)	(1,528,500)	(6,362,500)
Operating profit		18,857,301	23,463,280	6,700,999	42,847,082
Finance costs and bank charges		(3,342,445)	(4,010,795)	(6,924,390)	(8,233,209)
Share of loss of equity-accounted investee		(1,242,376)	(413,963)	(2,817,506)	(925,437)
Finance income		1,427,396	1,125,069	2,814,487	2,194,960
Profit before zakat and tax		15,699,876	20,163,591	(226,410)	35,883,396
Zakat and income tax		(2,811,277)	(2,948,082)	(4,593,057)	(4,807,113)
Profit for the period		12,888,599	17,215,509	(4,819,467)	31,076,283
<i>Item that are reclassified subsequently to profit or loss</i>					
Foreign operation – foreign currency translation differences		(799,072)	531,675	(12,118,487)	(4,147,498)
Other comprehensive income (loss) for the period		(799,072)	531,675	(12,118,487)	(4,147,498)
Total comprehensive income (loss) for the period		12,089,527	17,747,184	(16,937,954)	26,928,785
Profit /(loss) attributable to:					
Owners of the Company		13,095,909	17,533,275	(3,528,477)	31,856,990
Non-controlling interests		(207,310)	(317,766)	(1,290,990)	(780,707)
		12,888,599	17,215,509	(4,819,467)	31,076,283
Total comprehensive income /(loss) attributable to:					
Owners of the Company		12,313,054	18,021,668	(15,455,125)	27,741,305
Non-controlling interests		(223,527)	(274,484)	(1,482,829)	(812,520)
		12,089,527	17,747,184	(16,937,954)	26,928,785
Earnings per share - basic and diluted	26	0.52	0.69	(0.14)	1.26

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 SIX MONTH PERIOD ENDED 30 JUNE 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 six months ended 30 June 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	--	--	--	--	--	(3,528,477)	--	(3,528,477)	(1,290,990)	(4,819,467)
Other comprehensive loss for the period	--	--	--	--	--	--	(11,913,163)	(11,913,163)	(205,324)	(12,118,487)
Total comprehensive loss for the period	--	--	--	--	--	(3,528,477)	(11,913,163)	(15,441,640)	(1,496,314)	(16,937,954)
Equity settled share-based payment	--	--	--	1,266,500	--	--	--	1,266,500	--	1,266,500
Dividends (note 14)	--	--	--	--	--	(20,226,000)	--	(20,226,000)	--	(20,226,000)
Acquisition of NCI (note 1)	--	--	--	--	--	(1,001,432)	--	(1,001,432)	1,001,432	--
Transfer to retained earnings (note 12)	--	--	(21,658,401)	--	--	21,658,401	--	--	--	--
Balance at 30 June 2024 (unaudited)	255,000,000	(2,325,000)	4,108,387	4,854,917	7,462,500	55,849,018	(37,264,092)	287,685,730	(3,205,902)	284,479,828
For the six months ended 30 June 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	--	--	--	--	--	31,856,990	--	31,856,990	(780,707)	31,076,283
Other comprehensive loss for the period	--	--	--	--	--	--	(4,115,685)	(4,115,685)	(31,813)	(4,147,498)
Total comprehensive income for the period	--	--	--	--	--	31,856,990	(4,115,685)	27,741,305	(812,520)	26,928,785
Equity settled share based payment	--	--	--	4,560,000	--	--	--	4,560,000	--	4,560,000
Dividends (note 14)	--	--	--	--	--	(37,863,750)	--	(37,863,750)	--	(37,863,750)
Tax recharged	--	--	--	--	--	(578,291)	--	(578,291)	--	(578,291)
Balance at 30 June 2023 (unaudited)	255,000,000	(2,700,000)	25,766,788	8,360,000	3,360,000	63,209,833	(24,553,915)	328,442,706	(1,635,432)	326,807,274

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 SIX MONTH PERIOD ENDED 30 JUNE 2024
(Amount in Saudi Riyals)

	<i>Note</i>	30 June 2024	30 June 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit for the period		(4,819,467)	31,076,283
Adjustments for:			
- Zakat and income tax		4,593,057	4,807,113
- Depreciation of property and equipment	5	18,370,830	18,627,505
- Depreciation of right of use assets	6	35,079,913	35,170,891
- Impairment of property and equipment	5	800,000	--
- Amortization of intangible assets		2,855,629	1,271,240
- Share of loss in equity-accounted investee		2,817,506	925,437
- Employee benefits	16	4,345,835	3,939,851
- Interest expense of lease liabilities	15	5,243,569	5,518,590
- Impairment / (reversal) of trade and other receivables	8.1	4,100,000	(2,042,200)
- Employees share plan compensation expense	13	1,528,500	6,362,500
- Loss on disposal of property and equipment		30,292	31,934
- Impairment loss on inventories		802,719	209,411
		75,748,383	105,898,555
Changes in:			
Inventories		5,342,522	(697,105)
Trade and other receivables		(18,314,395)	(13,817,989)
Due from related parties		(3,673,887)	(849,430)
Employee benefits		(1,300,426)	(8,004,566)
Trade and other payables		(2,786,532)	(3,862,436)
Due to related parties		(583,295)	382,991
Cash generated from operations		54,432,370	79,050,020
Zakat and income tax paid		(7,093,170)	(6,150,111)
Employee benefits paid	16	(2,265,081)	(2,855,709)
Net cash generated from operating activities		45,074,119	70,044,200
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	5	(9,053,722)	(27,622,283)
Capital advances	5.1	825,830	919,855
Acquisition of intangible assets		(1,702,627)	(3,425,320)
Proceeds from sale of property and equipment		126,981	48,937
Net cash used in investing activities		(9,803,538)	(30,078,811)
CASH FLOWS FROM FINANCING ACTIVITIES			
Movement in loans and borrowings		2,361,571	855,916
Payments of lease liabilities	15	(38,456,422)	(32,903,073)
Payments of interest expense of lease liabilities	15	(5,243,569)	(5,518,590)
Dividends paid		(10,107,000)	(37,863,750)
Acquisition of NCI	1	(374,919)	--
Net cash used in financing activities		(51,820,339)	(75,429,497)
Net (decrease) in cash and cash equivalents		(16,549,758)	(35,464,108)
Cash and cash equivalents at beginning of the period		150,123,573	162,091,339
Net exchange differences		(7,204,971)	(1,462,276)
Cash and cash equivalents at 30 June	10	126,368,844	125,164,955
Supplemental information on non-cash items:			
Additions to right of use assets / lease liabilities		23,672,131	20,709,951
Dividends payable		10,107,000	424,694

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 AND SIX MONTH PERIODS ENDED 30 JUNE 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:

- Administration and operation of 462 restaurants (31 December 2023: 460) under a Domino’s franchise agreement catering service for cooked and non-cooked food and fast-food meals.
- 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>Name of the Company</u>	<u>Place of incorporation</u>	<u>Principal activity</u>	<u>Date of acquisition</u>	<u>Effective holding percentage</u>	
				30 June 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%	99.4%
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 AND SIX MONTH PERIODS ENDED 30 JUNE 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 condensed consolidated interim financial statements do not include all of the information required for a 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 AND SIX MONTH PERIODS ENDED 30 JUNE 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 AND SIX MONTH PERIODS ENDED 30 JUNE 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	--	--	6,383,612	198,705	1,726,417	727,824	17,164	9,053,722
Disposals	--	(19,951)	(865,288)	(132,715)	(492,324)	(1630)	--	(1,511,908)
Transfers	--	--	(55,102)	--	55,102	--	--	--
Effects of movement in exchange rates	(541,998)	(436,509)	(5,494,722)	(837,105)	(6,088,150)	(658,581)	(410,523)	(14,467,588)
At 30 June 2024	979,161	1,399,144	224,756,768	20,157,669	149,766,733	31,546,664	8,066,602	436,672,741
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	--	16,034	10,406,518	641,988	5,677,405	1,225,146	403,739	18,370,830
Transfers	--	--	(55,102)	--	55,102	--	--	--
Impairment	--	--	(800,000)	--	--	--	--	(800,000)
Disposals	--	--	(865,288)	(132,704)	(321,419)	(1,630)	--	(1,321,041)
Exchange rates movements	--	(43,158)	(984,546)	(430,079)	(2,060,561)	(197,685)	(258,708)	(3,974,737)
At 30 June 2024	--	315,176	127,069,221	14,555,717	98,902,479	25,471,335	6,209,361	272,523,289
Net book value:								
At 30 June 2024	979,161	1,083,968	97,687,547	5,601,952	50,864,254	6,075,329	1,857,241	164,149,452
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 30 June 2024 include an amount of SR 3.1 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.

	<u>Buildings</u>	<u>Vehicles</u>	<u>Total</u>
<i>Cost:</i>			
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)	349,361,993	47,733,207	397,095,200
Modifications	3,500,000	--	3,500,000
Additions	18,300,312	5,371,819	23,672,131
Disposals	(7,982,982)	(2,364,286)	(10,347,268)
Exchange rates movements	(14,153,509)	(67,887)	(14,221,396)
At 30 June 2024 (Unaudited)	349,025,814	50,672,853	399,698,667
<i>Accumulated depreciation:</i>			
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)	199,504,453	21,219,347	220,723,800
Charge for the period	29,862,739	5,217,174	35,079,913
Disposals	(7,982,982)	(2,364,286)	(10,347,268)
Exchange rates movements	(7,731,234)	(205,884)	(7,937,118)
At 30 June 2024 (Unaudited)	213,652,976	23,866,351	237,519,327
<i>Net book values:</i>			
At 30 June 2024 (Unaudited)	135,372,838	26,806,502	162,179,340
At 31 December 2023 (Audited)	149,857,540	26,513,860	176,371,400

7. INVENTORIES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Raw materials	67,875,119	72,584,430
Consumables and packing material	7,327,981	7,960,811
Goods in transit	725	1,106
Provision for impairment loss	(994,299)	(191,580)
	74,209,526	80,354,767

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8. TRADE AND OTHER RECEIVABLES

	30 June 2024	31 December 2023
	<u>(Unaudited)</u>	<u>(Audited)</u>
	Note	
Trade receivables	40,389,044	30,654,417
Impairment loss on trade receivables	<i>8.1</i> <u>(7,882,876)</u>	<u>(3,782,764)</u>
Net trade receivables	<u>32,506,168</u>	<u>26,871,653</u>
Prepaid expenses	24,757,061	27,400,069
Advances to suppliers	20,679,680	12,912,386
Advances to employees	2,944,203	2,887,450
Other receivables	14,179,690	10,936,233
Less: Impairment loss on other receivables	<i>8.1</i> <u>(1,356,176)</u>	<u>(1,356,288)</u>
	<u>93,710,626</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:

	30 June 2024	31 December 2023
	<u>(Unaudited)</u>	<u>(Audited)</u>
Balance at beginning of the period / year	5,139,052	5,991,987
Written off during the period / year	--	(324,562)
Net expense / (reversal)	<u>4,100,000</u>	<u>(528,373)</u>
Balance at end of the period / year	<u>9,239,052</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.

Trade receivables – Days past due						
30 June 2024 (Un-audited)	Not past due	<30	30-60	61-90	>90	Total
Expected credit loss rate %	9%	0%	100%	100%	100%	20%
Gross carrying amount	33,808,990	1,600,590	980,323	814,723	3,184,418	40,389,044
Lifetime ECL	2,903,412	--	980,323	814,723	3,184,418	7,882,876
Trade receivables – Days past due						
31 December 2023 (Audited)	Not past due	<30	30-60	61-90	>90	Total
Expected credit loss rate %	5%	0%	0%	0%	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:

	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
<i>Transactions with Shareholders</i>		
Recharges	--	600
Collections and payments	(40,250)	--
Dividends	20,226,000	37,863,750
Expenses	75,250	--
<i>Transactions with associate</i>		
Sale of goods	240,748	7,800
Other Revenue	67,054	--
Expenses	179,125	165,469
Royalties	713,993	1,817,307
Collection and payments	70,384	1,346,516
Financing	2,624,993	--
Other charges	6,823	28,154

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9. RELATED PARTIES INFORMATION (CONTINUED)

	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
<i>Transactions with entities under common control</i>		
Expenses	474,005	294
Collections and payments	728,028	47,200
Other Charges	37,353	--
<i>Transactions with other related parties</i>		
Expenses	943,043	2,427,876
Collections and payments	964,812	2,079,213
Other charges	--	138,998

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

	Nature of relationship	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<i>Due from related parties</i>			
Alamar Foods Company, Oman	Associate company	5,700,253	2,084,719
Kasual + Limited Liability Company	Associate company	231,558	234,586
Alamar Foods For Restaurants Management WLL	Associate company	31,084	4,703
Yasmine Flower Company	Shareholder of subsidiary	1,200,303	1,200,303
Abdul Aziz Ibrahim Al Jammaz and Brothers Company	Parent Entity	35,000	--
		<u>7,198,198</u>	<u>3,524,311</u>
<i>Due to related parties</i>			
AlJammaz Agriculture	Company under common control	294	4,794
Hakam El Abbès	Shareholder of subsidiary	2,129,692	2,382,502
Sovana Inc. USA	Others	92,025	91,923
Intermob	Others	--	140,204
Abdulaziz and Abdullah AlJammaz for Travel & Tourism Company	Company under common control	42,766	255,029
Alamar Foods For Restaurants Management WLL	Others	26,380	--
Abdulaziz AlJammaz Heirs	Others	1,302,375	1,302,375
		<u>3,593,532</u>	<u>4,176,827</u>

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:

	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Short-term benefits	6,756,526	5,751,387
Employee stock plan	1,528,500	3,295,000
Post-employment benefits	616,299	577,864

10. CASH AND CASH EQUIVALENTS

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Cash on hand	2,489,575	2,118,749
Cash at bank	36,768,041	52,528,824
Murabaha contracts*	87,111,228	95,476,000
Cash and cash equivalents	<u>126,368,844</u>	<u>150,123,573</u>

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

11. SHARE CAPITAL

	30 June 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.

On 8 Dhu al-Qi'dah 1445H corresponding to 16 May 2024, pursuant to a resolution approved by the Board of Directors, the Company transferred an amount of SR 21.66 million from the statutory reserve to its retained earnings.

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13. EMPLOYEE SHARE OPTION SCHEME

On 23 May 2022, 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 30 June 2024.

The Company recognized the following share-based compensation expense:

	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Equity-settled	1,266,500	4,560,000
Cash-settled	262,000	1,802,500
	<u>1,528,500</u>	<u>6,362,500</u>

At 30 June 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:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Outstanding at 9 August opening / grant date	65,500	127,500
Vested during the period – cash settled	--	(17,500)
Vested during the period – equity settled	--	(44,500)
Outstanding as at 30 June / 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.

On 8 Dhu al-Qi'dah 1445 H corresponding to 16 May 2024, the Board of Directors proposed 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 Period ended 31 March 2024 and were approved in the board of directors meeting dated 30 June 2024.

15. LEASE LIABILITIES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<i>Non-Current liabilities</i>		
Lease liabilities	<u>110,150,335</u>	<u>121,621,649</u>
<i>Current liabilities</i>		
Current portion of lease liabilities	<u>63,002,092</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).

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<u>Minimum lease payments</u>		
Not later than one year	68,580,175	92,645,968
Later than one year and not later than five years	107,216,996	106,037,179
More than five years	<u>30,194,099</u>	<u>36,868,532</u>
	<u>205,991,270</u>	<u>235,551,679</u>
Less: future finance charges	<u>(32,838,843)</u>	<u>(41,081,275)</u>
Present value of minimum lease payments	<u>173,152,427</u>	<u>194,470,404</u>
<u>Present value of minimum lease payments</u>		
Not later than one year	63,002,092	72,848,755
Later than one year but not later than five years	89,523,042	93,433,930
More than five years	<u>20,627,293</u>	<u>28,187,719</u>
	<u>173,152,427</u>	<u>194,470,404</u>

Movement in lease liability during the year is as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance on 1 January	194,470,404	225,796,918
Additions	23,672,131	51,252,090
Finance cost	5,243,569	10,189,429
Disposal	--	(11,031,428)
Payments made during the year	<u>(43,699,991)</u>	<u>(76,267,544)</u>
Modification	3,500,000	(73,907)
Exchange rates movements	<u>(10,033,686)</u>	<u>(5,395,154)</u>
Balance as on 30 June / 31 December	<u>173,152,427</u>	<u>194,470,404</u>

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16. EMPLOYEE BENEFITS

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<i>Non-current liability</i>		
Defined benefit liability	37,096,663	35,154,446
Others	285,883	901,778
	<u>37,382,546</u>	<u>36,056,224</u>
<i>Current liabilities:</i>		
Payroll and bonus	1,275,270	1,158,128
Employees share plan liability	5,246,833	4,984,833
Accrued vacation	5,607,727	5,762,808
Accrued air ticket and iqama fees	2,063,379	2,508,132
Others	1,194,257	1,397,730
	<u>15,387,466</u>	<u>15,811,631</u>
	<u>52,770,012</u>	<u>51,867,855</u>

	30 June 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	3,578,549	6,601,894
Interest cost	767,286	1,120,707
	4,345,835	7,722,601
Paid during the year	(2,265,081)	(4,187,628)
Actuarial loss arising from		
- Demographic assumptions	--	11,283
- Financial assumptions	--	2,219
- Experience adjustments	--	14,839
	--	28,341
Exchange rate movements	(138,537)	(140,310)
Balance at the end of the year	<u>37,096,663</u>	<u>35,154,446</u>

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:

	30 June 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.

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Increase in discount rate of 1%	(2,680,772)	(315,941)
Decrease in discount rate of 1%	3,138,042	369,646
Increase in rate of salary increase of 1%	3,242,669	370,615
Decrease in rate of salary increase of 1%	<u>(2,827,062)</u>	<u>(314,590)</u>

17. TRADE AND OTHER PAYABLES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<i>Non-Current liabilities</i>		
Other long-term liabilities	<u>2,347,559</u>	<u>4,104,536</u>
<i>Current liabilities</i>		
Trade payables	63,387,250	69,714,265
Accrued expenses	48,170,766	37,693,551
Deferred revenues	6,373,773	7,981,359
Other payables	<u>20,858,974</u>	<u>12,890,298</u>
	<u>138,790,763</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 2.8 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:

	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Sale of products:		
- Domino's Pizza	405,758,029	460,925,336
- Dunkin Donuts	21,223,160	32,829,504
- Other	6,321,980	8,655,890
	433,303,169	502,410,730

Disaggregation of revenue

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

	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
<i>Primary geographical markets</i>		
Kingdom of Saudi Arabia	290,829,703	337,008,201
Other GCC and Levant	101,604,740	108,406,186
North Africa	40,868,726	56,996,343
Net revenue as reported in note 25	433,303,169	502,410,730
Products transferred at a point in time	433,303,169	502,410,730

19. CAPITAL COMMITMENTS AND CONTINGENCIES

The Group had capital commitments of SR 1.9 million at the reporting date relating to property and equipment (31 December 2023: SR 18.15 million).

As at 30 June 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 7.51 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:

	30 June 2024	31 December 2023
	<u>(Unaudited)</u>	<u>(Audited)</u>
Financial assets		
<i>Amortized cost</i>		
Cash and cash equivalents (note 10)	126,368,844	150,123,573
Trade and other receivables	45,329,682	36,451,598
Due from related parties (note 9)	7,198,198	3,524,301
Financial liabilities		
<i>Amortized cost</i>		
Trade and other payables	134,764,549	124,402,650
Loan and borrowings	7,170,856	4,809,285
Lease liabilities	173,152,427	194,470,404
Employees payable	15,387,466	15,811,630
Due to related parties	3,593,532	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:

30 June 2024
(Unaudited)

Details	Interest Rate %	Carrying amount	Within one year SR	One year to five years SR	Over five years SR	Total SR
Trade and other payables	Interest free	138,790,763	138,790,763	--	--	138,790,763
Due to related parties	Interest free	3,593,532	3,593,532	--	--	3,593,532
Employee benefits	Interest free	52,770,012	15,387,466	37,382,546	--	52,770,012
Loans and borrowings	3-6%	7,170,856	3,716,483	3,454,373	--	7,170,856
Lease liabilities	3-4%	173,152,427	68,580,175	107,216,996	30,194,099	205,991,270
		375,477,590	230,068,419	148,053,915	30,194,099	408,316,433

31 December 2023

Details	Interest Rate %	Carrying amount	Within one year SR	One year to five years SR	Over five years SR	Total SR
Trade and other payables	Interest free	128,279,473	128,279,473	--	--	128,279,473
Due to related parties	Interest free	4,176,827	4,176,827	--	--	4,176,827
Employee benefits	Interest free	51,867,855	15,811,631	36,056,224	--	51,867,855
Loans and borrowings	3-6%	4,809,285	4,809,285	--	--	4,809,285
Lease liabilities	3-4%	194,470,404	92,645,968	106,037,179	36,868,532	235,551,679
		383,603,844	245,723,184	142,093,403	36,868,532	424,685,119

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 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 2 million (30 June 2023: SR 2.42 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.

	30 June 2024	31 December 2023
	<u>(Unaudited)</u>	<u>(Audited)</u>
<i>Non-Current liabilities</i>		
Loan and borrowings	3,454,373	--
<i>Current liabilities</i>		
Current portion of loan and borrowings	3,716,483	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').

During the period, ZATCA raised Zakat and Income Tax assessments in respect of the year 2021, 2022 and 2023. However, no claims in this respect have been raised as of 30 June 2024.

24. GOODWILL

Movement in goodwill during the year is as follows:

	30 June 2024	31 December 2023
	<u>(Unaudited)</u>	<u>(Audited)</u>
Balance at 1 January	22,818,530	21,576,414
Foreign currency translation	(220,287)	1,242,117
Balance at 31 December	<u>22,598,243</u>	<u>22,818,531</u>

Goodwill is re-translated at rates prevailing at the reporting date and a decrease of SR 0.2 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.

The operational decisions of the segments are collectively taken by the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer.

Information about reportable segments:

	Reporting Segments			Total reportable segments
	Kingdom of Saudi Arabia	Other GCC and Levant	North Africa	
30 June 2024 (Un-audited)				
External revenue	290,829,703	101,604,740	40,868,726	433,303,169
Internal revenue	5,699,665	3,419,798	2,279,866	11,399,329
Segment revenue	296,529,368	105,024,538	43,148,592	444,702,498
External revenue as reported in note 18	290,829,703	101,604,740	40,868,726	433,303,169
Major products:				
Domino's Pizza	289,510,022	94,891,564	21,356,444	405,758,030
Dunkin Donuts	--	--	21,223,160	21,223,160
Other	7,019,346	10,132,974	568,988	17,721,308
	296,529,368	105,024,538	43,148,592	444,702,498
Timing of revenue recognition				
Point in time	296,529,368	105,024,538	43,148,592	444,702,498
Segment profit before zakat and income tax	10,970,208	(6,524,026)	(4,672,592)	(226,410)
Interest expense	(2,931,876)	(2,080,107)	(1,912,407)	(6,924,390)
Finance income	2,814,487	--	--	2,814,487
Depreciation:				
- Property and equipment	(9,553,238)	(5,572,296)	(3,245,296)	(18,370,830)
- Right of use assets	(19,809,923)	(9,659,668)	(5,610,322)	(35,079,913)
Share of (losses) / profit of equity-accounted investee	42,183	(2,859,689)	--	(2,817,506)
30 June 2024 (unaudited)				
Segment non-current assets*	174,651,787	131,951,105	61,841,421	368,444,313
Segment assets	374,256,336	201,828,512	93,846,659	669,931,507
Segment liabilities	209,052,931	104,488,302	71,910,446	385,451,679

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25. REPORTING SEGMENTS (CONTINUED)

Information about reportable segments:

<u>30 June 2023 (Un-audited)</u>	Reporting Segments			Total reportable segments
	Kingdom of Saudi Arabia	Other GCC and Levant	North Africa	
External revenue	337,008,201	108,406,186	56,996,343	502,410,730
Internal revenue	204,673	11,769,520	623,960	12,598,153
Segment revenue	337,212,874	120,175,706	57,620,303	515,008,883
External revenue as reported in note 18	337,008,201	108,406,186	56,996,343	502,410,730
Major products:				
Domino's Pizza	328,352,310	108,406,186	24,166,840	460,925,336
Dunkin Donuts	--	--	32,829,504	32,829,504
Other	8,860,563	11,769,520	623,960	21,254,043
	337,212,873	120,175,706	57,620,304	515,008,883
Timing of revenue recognition Point in time	337,212,874	120,175,706	57,620,303	515,008,883
Segment profit before zakat and income tax	31,151,496	5,516,018	(784,118)	35,883,396
Interest expense	(3,360,734)	(2,392,268)	(2,480,208)	(8,233,210)
Depreciation:				
- Property and equipment	(10,164,061)	(5,581,113)	(2,882,331)	(18,627,505)
- Right of use assets	(20,086,183)	(9,345,362)	(5,739,346)	(35,170,891)
Share of (losses) / profit of equity-accounted investee	(345,373)	(580,064)	--	(925,437)
<u>30 June 2023 (unaudited)</u>				
Segment non-current assets*	196,082,763	116,432,656	78,410,839	390,926,258
Segment assets	531,337,417	316,204,690	113,833,244	961,375,351
Segment liabilities	218,904,196	240,217,062	107,511,092	566,632,350

*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:

	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Total revenue for reportable segments	444,702,498	515,008,883
Elimination of inter-segment revenue	<u>(11,399,329)</u>	<u>(12,598,153)</u>
Consolidated revenue	<u>433,303,169</u>	<u>502,410,730</u>

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

	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Total (loss) / profit before zakat and tax for reportable segments	(9,697,558)	28,855,097
Unallocated corporate items	<u>9,471,148</u>	<u>7,028,299</u>
Consolidated profit before zakat and tax	<u>(226,410)</u>	<u>35,883,396</u>

iii. Assets:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Total assets for reportable segments	940,260,347	973,007,278
Elimination of inter-segment balances	<u>(270,328,840)</u>	<u>(254,005,852)</u>
Consolidated total assets	<u>669,931,507</u>	<u>719,001,426</u>

iv. Liabilities:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Total liabilities for reportable segments	585,868,163	583,736,627
Elimination of inter-segment balances	<u>(200,416,484)</u>	<u>(185,112,483)</u>
Consolidated total liabilities	<u>385,451,679</u>	<u>398,624,144</u>

v. Other material items:

<u>30 June 2024 (Un-audited)</u>	<u>Reportable segments total</u>	<u>Consolidated</u>
Interest expense	(6,961,974)	(6,961,974)
Finance income	2,814,487	2,814,487
Depreciation:		
- Property and equipment	(18,370,830)	(18,370,830)
- Right of use assets	(35,079,913)	(35,079,913)
Share of losses of equity-accounted investee	(2,817,506)	(2,817,506)

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25. REPORTING SEGMENTS (CONTINUED)

<u>30 June 2023 (Un-audited)</u>	<u>Reportable segments total</u>	<u>Consolidated</u>
Interest expense	(8,233,209)	(8,233,209)
Depreciation:		
- Property and equipment	(18,627,505)	(18,627,505)
- Right of use assets	(35,170,891)	(35,170,891)
Share of losses of equity-accounted investee	(925,437)	(925,437)

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.

	<u>For the three months period</u>		<u>For the six months period</u>	
	<u>30 June 2024 (Unaudited)</u>	30 June 2023 (Unaudited)	<u>30 June 2024 (Unaudited)</u>	30 June 2023 (Unaudited)
Basic:				
Profit attributable to owners of the Company (SR)	13,095,909	17,533,275	(3,528,477)	31,856,990
Weighted average number of shares	25,267,500	25,230,000	25,267,500	25,230,000
Basic earnings per share (SR)	0.52	0.69	(0.14)	1.26
Reconciliation of weighted average number of shares				
Outstanding number of ordinary shares at beginning of period	25,500,000	25,500,000	25,500,000	25,500,000
Outstanding number of treasury shares	(232,500)	(270,000)	(232,500)	(270,000)
	25,267,500	25,230,000	25,267,500	25,230,000
Diluted:				
Profit for the period (SR)	13,095,909	17,533,275	(3,528,477)	31,856,990
Weighted average number of shares	25,372,500	25,370,000	25,372,500	25,370,000
Diluted earnings per share (SR)	0.52	0.69	(0.14)	1.26
Reconciliation of weighted average number of shares (diluted)				
Weighted average number of ordinary shares (basic)	25,267,500	25,230,000	25,267,500	25,230,000
Effect of employee share awards vested	105,000	140,000	105,000	140,000
	25,372,500	25,370,000	25,372,500	25,370,000

27. SUBSEQUENT EVENTS

On 1 Safar 1446 H corresponding to 5 August 2024, the Board of Directors proposed and approved the distribution of interim dividends to the Company's shareholders of SR 0.5 per share which total Twelve Million Six Hundred Fifty Thousand Seven Hundred and Fifty Riyals (SAR 12.7 million) from the Company's retained earnings for the period ended 30 June 2024.

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 condensed consolidated interim financial statements were approved on 1 Safar 1446H (corresponding to 5 August 2024).