

**SAVOLA GROUP COMPANY**  
(A Saudi Joint Stock Company)

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

For the three month and six-month periods ended June 30, 2024  
together with the Independent Auditor's Review Report

**SAVOLA GROUP COMPANY**

(A Saudi Joint Stock Company)

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

For the six-month period ended June 30, 2024

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## KPMG Professional Services

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

Headquarters in Riyadh

## كي بي إم جي للاستشارات المهنية

مركز الزهران للأعمال  
شارع الأمير سلطان  
ص.ب 55078  
جده 21534  
المملكة العربية السعودية  
سجل تجاري رقم 4030290792  
المركز الرئيسي في الرياض

# Independent auditor's report on review of condensed

# consolidated interim financial statements

To the Shareholders of Savola Group Company

## Introduction

We have reviewed the accompanying June 30, 2024, condensed consolidated interim financial statements of Savola Group Company ("the Company") and its subsidiaries ("the Group") which comprises:

- the condensed consolidated statement of financial position as at June 30, 2024;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2024;
- the condensed consolidated statement of changes in equity for the six-month period ended June 30, 2024;
- the condensed consolidated statement of cash flows for the six-month period ended June 30, 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 interim financial information 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 June 30, 2024 condensed consolidated interim financial statements of **Savola Group Company** and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

## For KPMG Professional Services

  
Nasser Ahmed Al Shutairy  
License No. 454



Jeddah, August 6, 2024  
Corresponding to Safar 2, 1446H

KPMG Professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SR40,000,000 (previously known as "KPMG Al Fozan & Partners Certified Public Accountants") and 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 (40,000,000) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي للفوزان وشركاه محاسبون ومراجعون قانونيون". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لكي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

**SAVOLA GROUP COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
(Expressed in thousands of Saudi Riyal unless otherwise stated)

	<u>Note</u>	<b>June 30, 2024</b> (Unaudited)	December 31, 2023 (Audited)
<b>ASSETS</b>			
Property, plant and equipment		5,867,497	6,046,276
Right-of-use assets		2,967,197	3,040,384
Intangible assets and goodwill		1,666,872	1,678,552
Investment property		192,383	192,618
Equity-accounted investees	5	9,288,762	9,309,103
Investments at fair value through other comprehensive income	6	89,184	98,068
Deferred tax asset		61,480	51,166
<b>Non-current assets</b>		<b>20,133,375</b>	<b>20,416,167</b>
Inventories		3,963,321	4,251,886
Trade receivables		2,071,173	1,752,950
Prepayments and other receivables		1,433,682	1,567,201
Investments at fair value through profit or loss	6	17,019	22,871
Term deposits	4	808,822	738,395
Cash and cash equivalents	4	891,777	1,213,193
<b>Current assets</b>		<b>9,185,794</b>	<b>9,546,496</b>
<b>TOTAL ASSETS</b>		<b>29,319,169</b>	<b>29,962,663</b>
<b>EQUITY</b>			
Share capital	7	5,339,807	5,339,807
Share premium		342,974	342,974
Shares held under employees' share based payment plan	8	(120,774)	(120,774)
Statutory reserve	9	--	1,774,085
General reserve		4,000	4,000
Other reserves		(491,691)	(456,513)
Effect of transactions with non-controlling interests without change in control		(220,840)	(220,840)
Foreign currency translation reserve		(2,632,205)	(2,354,758)
Retained earnings		6,401,627	4,143,441
<b>Equity attributable to owners of the Company</b>		<b>8,622,898</b>	<b>8,451,422</b>
Non-controlling interests		1,071,298	1,083,098
<b>TOTAL EQUITY</b>		<b>9,694,196</b>	<b>9,534,520</b>
<b>LIABILITIES</b>			
Loans and borrowings	10	4,502,354	4,699,990
Lease liabilities		2,997,413	3,092,951
Employee benefits		851,614	842,718
Derivative		228,915	--
Long-term payables		222,838	224,104
Provision against asset restoration		155,325	153,541
Deferred tax liability		81,704	85,675
<b>Non-current liabilities</b>		<b>9,040,163</b>	<b>9,098,979</b>
Loans and borrowings	10	4,137,740	3,887,714
Lease liabilities		441,245	429,578
Trade payables		3,025,219	3,507,964
Derivative		--	274,255
Accrued and other liabilities		2,980,606	3,229,653
<b>Current liabilities</b>		<b>10,584,810</b>	<b>11,329,164</b>
<b>TOTAL LIABILITIES</b>		<b>19,624,973</b>	<b>20,428,143</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>29,319,169</b>	<b>29,962,663</b>

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

**SAVOLA GROUP COMPANY**  
(A Saudi Joint Stock Company)

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

(Expressed in thousands of Saudi Riyal unless otherwise stated)

	Note	Three-month period ended June 30		Six-month period ended June 30	
		2024	2023	2024	2023
Revenues	15	<b>5,374,974</b>	6,093,286	<b>13,156,844</b>	13,907,780
Cost of revenues	15	<b>(4,160,190)</b>	(4,846,330)	<b>(10,323,330)</b>	(11,158,791)
<b>Gross profit</b>		<b>1,214,784</b>	1,246,956	<b>2,833,514</b>	2,748,989
Share of results in equity- accounted investees, net of zakat and tax		<b>207,364</b>	182,515	<b>405,721</b>	395,975
Selling and distribution expenses		<b>(747,092)</b>	(731,946)	<b>(1,518,242)</b>	(1,488,234)
Administrative expenses		<b>(247,862)</b>	(254,921)	<b>(484,889)</b>	(486,852)
<b>Results from operating activities</b>		<b>427,194</b>	442,604	<b>1,236,104</b>	1,169,878
Finance income		<b>39,468</b>	23,385	<b>100,255</b>	45,698
Finance cost		<b>(268,164)</b>	(247,194)	<b>(664,837)</b>	(521,910)
<b>Net finance cost</b>		<b>(228,696)</b>	(223,809)	<b>(564,582)</b>	(476,212)
Gain on sale of a subsidiary		--	--	--	18,475
<b>Profit before zakat and income tax</b>		<b>198,498</b>	218,795	<b>671,522</b>	712,141
Zakat and income tax expense		<b>(36,792)</b>	(59,114)	<b>(129,001)</b>	(133,569)
<b>Profit for the period</b>		<b>161,706</b>	159,681	<b>542,521</b>	578,572
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified to profit or loss</i>					
Investments at fair value through other comprehensive income – net change in fair value		<b>(10,157)</b>	8,106	<b>(8,884)</b>	6,230
<i>Items that may be reclassified subsequently to profit or loss</i>					
Foreign operations - foreign currency translation differences		<b>26,875</b>	17,995	<b>(314,860)</b>	(222,955)
Equity accounted investees - share of other comprehensive income		<b>(6,903)</b>	(24,559)	<b>(52,788)</b>	40,060
Cash flow hedges – effective portion of changes in fair value		<b>70</b>	(12,417)	<b>28,291</b>	(15,484)
<b>Other comprehensive income / (loss) for the period</b>		<b>9,885</b>	(10,875)	<b>(348,241)</b>	(192,149)
<b>Total comprehensive income for the period</b>		<b>171,591</b>	148,806	<b>194,280</b>	386,423

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

**SAVOLA GROUP COMPANY**  
(A Saudi Joint Stock Company)

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

(Expressed in thousands of Saudi Riyal unless otherwise stated)

	<u>Note</u>	<b>Three-month period ended June 30</b>		<b>Six-month period ended June 30</b>	
		<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>Profit for the period attributable to:</b>					
Owners of the Company		<b>135,392</b>	132,032	<b>484,101</b>	524,778
Non-controlling interests		<b>26,314</b>	27,649	<b>58,420</b>	53,794
<b>Profit for the period</b>		<b><u>161,706</u></b>	<u>159,681</u>	<b><u>542,521</u></b>	<u>578,572</u>
<b>Total comprehensive income for the period attributable to:</b>					
Owners of the Company		<b>147,565</b>	138,450	<b>163,633</b>	371,448
Non-controlling interests		<b>24,026</b>	10,356	<b>30,647</b>	14,975
<b>Total comprehensive income for the period</b>		<b><u>171,591</u></b>	<u>148,806</u>	<b><u>194,280</u></b>	<u>386,423</u>
<b>Earnings per share attributable to the Owners of the Company (in Saudi Riyal):</b>					
Basic	13	<b><u>0.26</u></b>	0.25	<b><u>0.92</u></b>	0.99
Diluted	13	<b><u>0.26</u></b>	0.25	<b><u>0.92</u></b>	0.98

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

**SAVOLA GROUP COMPANY**

(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

For the six-month period ended June 30, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

	Equity attributable to the Owners of the Company											
	Share capital	Share premium	Shares held under employees' share based payment plan	Statutory reserve	General reserve	Other reserves	Effect of transactions with non-controlling interests without change in control	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance at January 1, 2024</b>	5,339,807	342,974	(120,774)	1,774,085	4,000	(456,513)	(220,840)	(2,354,758)	4,143,441	8,451,422	1,083,098	9,534,520
<b><u>Total comprehensive income / (loss)</u></b>												
Profit for the period	--	--	--	--	--	--	--	--	484,101	484,101	58,420	542,521
Other comprehensive loss	--	--	--	--	--	(43,021)	--	(277,447)	--	(320,468)	(27,773)	(348,241)
	--	--	--	--	--	(43,021)	--	(277,447)	484,101	163,633	30,647	194,280
Charge for equity-settled employees' share based payment plan (Note 8)	--	--	--	--	--	7,843	--	--	--	7,843	201	8,044
Dividends	--	--	--	--	--	--	--	--	--	--	(42,648)	(42,648)
Transfer from statutory reserve to retained earnings (Note 9)	--	--	--	(1,774,085)	--	--	--	--	1,774,085	--	--	--
<b>Balance at June 30, 2024</b>	<b>5,339,807</b>	<b>342,974</b>	<b>(120,774)</b>	<b>--</b>	<b>4,000</b>	<b>(491,691)</b>	<b>(220,840)</b>	<b>(2,632,205)</b>	<b>6,401,627</b>	<b>8,622,898</b>	<b>1,071,298</b>	<b>9,694,196</b>

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

**SAVOLA GROUP COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (CONTINUED)**

For the six-month period ended June 30, 2023

(Expressed in thousands of Saudi Riyal unless otherwise stated)

	Equity attributable to the Owners of the Company											Total equity
	Share capital	Share premium	Shares held under employees' share based payment plan	Statutory reserve	General reserve	Other reserves	Effect of transactions with non-controlling interests without change in control	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	
Balance at January 1, 2023	5,339,807	342,974	(51,862)	1,774,085	4,000	(452,731)	(187,979)	(2,066,346)	3,552,764	8,254,712	1,061,981	9,316,693
<u>Total comprehensive income / (loss)</u>												
Profit for the period	--	--	--	--	--	--	--	--	524,778	524,778	53,794	578,572
Other comprehensive income / (loss)	--	--	--	--	--	36,089	--	(189,419)	--	(153,330)	(38,819)	(192,149)
	--	--	--	--	--	36,089	--	(189,419)	524,778	371,448	14,975	386,423
Charge for equity-settled employees' share based payment plan (Note 8)	--	--	--	--	--	4,762	--	--	--	4,762	30	4,792
Purchase of treasury shares for employees' share based payment plan	--	--	(80,000)	--	--	--	--	--	--	(80,000)	--	(80,000)
Dividends	--	--	--	--	--	--	--	--	(352,427)	(352,427)	(54,774)	(407,201)
Dividend on Treasury Shares	--	--	--	--	--	--	--	--	100	100	--	100
Balance at June 30, 2023	<u>5,339,807</u>	<u>342,974</u>	<u>(131,862)</u>	<u>1,774,085</u>	<u>4,000</u>	<u>(411,880)</u>	<u>(187,979)</u>	<u>(2,255,765)</u>	<u>3,725,215</u>	<u>8,198,595</u>	<u>1,022,212</u>	<u>9,220,807</u>

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



**SAVOLA GROUP COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**

For the six-month period ended June 30,

(Expressed in thousands of Saudi Riyal unless otherwise stated)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities</b>			
Profit for the period		542,521	578,572
<u>Adjustments for:</u>			
Depreciation and amortisation		571,786	535,859
Net finance cost		564,582	476,212
Share of results in equity-accounted investees, net of zakat and tax		(405,721)	(395,975)
Share based payment expense	8	8,044	4,792
Gain on sale of property, plant and equipment and write-off of software		(1,219)	(10,820)
Zakat and income tax expense		129,001	133,569
Gain on sale of a subsidiary		--	(18,475)
		<u>1,408,994</u>	<u>1,303,734</u>
<u>Changes in:</u>			
Inventories		43,291	100,776
Trade receivables		(507,587)	(442,951)
Prepayments and other receivables		140,831	105,863
Trade payables		(310,603)	(719,514)
Employee benefits		15,736	19,433
Accrued and other liabilities		(273,717)	564,851
		<u>516,945</u>	<u>932,192</u>
<b>Cash generated from operating activities</b>			
Finance cost paid		(421,146)	(295,025)
Zakat and income tax paid		(118,893)	(48,129)
		<u>(23,094)</u>	<u>589,038</u>
<b>Net cash (used in) / generated from operating activities</b>			
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment and investment property		(339,537)	(427,071)
Proceeds from sale of property, plant and equipment		3,100	31,499
Dividends received		368,539	366,746
Finance Income from bank deposits		88,841	5,457
Net change in FVTPL investments		5,852	18,938
Net proceeds from sale of investments		--	41,403
Net changes in bank deposits with maturity more than three months		(124,821)	(110,491)
		<u>1,974</u>	<u>(73,519)</u>
<b>Net cash generated from / (used in) investing activities</b>			
<b>Cash flows from financing activities</b>			
Proceed from long-term loans and borrowings		975,484	750,681
Repayments of long-term loans and borrowings		(1,005,148)	(2,172,011)
Net change in short term loans and borrowings		295,832	2,374,043
Dividends paid		(702)	(346,920)
Payment of lease liabilities		(351,070)	(366,286)
Dividends paid to non-controlling interests		(42,648)	(54,774)
Purchase of shares held under employees' share based payment plan		--	(80,000)
		<u>(128,252)</u>	<u>104,733</u>
<b>Net cash (used in) / generated from financing activities</b>			

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

**SAVOLA GROUP COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) (CONTINUED)**  
For the six-month period ended June 30,  
(Expressed in thousands of Saudi Riyal unless otherwise stated)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
<b>Net change in cash and cash equivalents</b>		<b>(149,372)</b>	620,252
Effect of movement in exchange rates on cash and cash equivalents		<b>(181,646)</b>	(100,154)
Cash and cash equivalents at beginning of the period	4	<u><b>1,132,459</b></u>	<u>600,759</u>
<b>Cash and cash equivalents at end of the period</b>	4	<u><b>801,441</b></u>	<u>1,120,857</u>
<b>Supplemental schedule of non-cash financial information:</b>			
Other reserves		<u><b>(33,381)</b></u>	<u>30,806</u>
Foreign currency translation reserve		<u><b>(314,860)</b></u>	<u>(222,955)</u>

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six-month period ended June 30, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**1. GENERAL INFORMATION**

Savola Group Company is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4030019708 issued in Jeddah on Rajab 21, 1399H (corresponding to June 16, 1979). The Company was formed under the Regulations for Companies in the Kingdom of Saudi Arabia per Royal Decree number M/21 dated Rabi Al Awal 29, 1398H (March 9, 1978).

The Company's registered office is located at the following address:

Savola Tower,  
The Headquarter Business Park,  
Prince Faisal Bin Fahad Street,  
Jeddah 23511-7333,  
Kingdom of Saudi Arabia.

These accompanying condensed consolidated interim financial statements comprise the financial statements of Savola Group Company (the "Company" or the "Parent Company") and its local and foreign subsidiaries (collectively referred as the "Group"), collectively involved in the manufacturing and sale of vegetable oils and to set up related industries, retail outlets, dairy products, fast foods, exports and imports, commercial contracting, trade agencies, development of agricultural products and real estate related investment activities.

The new Companies Law issued through Royal Decree M/132 on 01/12/1443H (corresponding to June 30, 2022) (hereinafter referred as the "New Law") came into force on 26/06/1444H (corresponding to January 19, 2023) as well as the amended implementing regulations that were issued by the Capital Market Authority (CMA) based on the New Law. In this regard, the Company after assessing the impact of the New Law, convened an Extraordinary General Assembly meeting on 20/02/1444H (corresponding to May 10, 2023), which has approved the amendment of certain provisions of the Company's By-laws to ensure compliance with the requirements of the new Companies' Law and the amended CMA implementing regulations. Legal formalities associated with the Company's amended By-laws were completed during the second quarter of 2023.

At June 30, 2024, the Company had investments in the following subsidiaries (collectively referred to as the "Group"):

**(I) Direct subsidiaries of the Company**

i) Operating subsidiaries

<u>Subsidiary name</u>	<u>Country of incorporation</u>	<u>Principal business activity</u>	<u>Direct ownership interest (%)</u>	
			<u>June 30, 2024</u>	<u>December 31, 2023</u>
Savola Foods Company ("SFC")	Saudi Arabia	Foods	<b>100</b>	100
Panda Retail Company ("Panda") (Note 1 (III))	Saudi Arabia	Retail	<b>100</b>	100
Good Food Company ("GFC")	Saudi Arabia	Holding company	<b>100</b>	100
Al Matoun International for Real Estate Investment Holding Company	Saudi Arabia	Real Estate	<b>80</b>	80
Herfy Food Services Company ("Herfy")	Saudi Arabia	Restaurant & manufacturing bakery products	<b>49</b>	49

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six-month period ended June 30, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**1. GENERAL INFORMATION (continued)**

**(I) Direct subsidiaries of the Company (continued)**

ii) Holding and Dormant subsidiaries

<u>Subsidiary name</u>	<u>Country of incorporation</u>	<u>Principal business activity</u>	<u>Direct ownership interest (%)</u>	
			<u>June 30, 2024</u>	<u>December 31, 2023</u>
Adeem Arabia Company	Saudi Arabia	Holding company	100	100
Al Utur Arabian Company for Commercial Investment	Saudi Arabia	Holding company	100	100
Al Matana Holding Company	Saudi Arabia	Holding company	100	100
Madarek Investment Company	Jordan	Holding company	100	100
United Properties Development Company	Saudi Arabia	Dormant company	100	100
Subsidiaries controlled through Al Matana Holding Company:				
SGC Ventures Limited	Cayman Islands	Holding company	100	100
SGC Marketplace Venture	Cayman Islands	Holding company	100	100
SGC Agritech Ventures	Cayman Islands	Holding company	100	100

**(II) Savola Foods Company**

The Parent Company has a 100% (December 31, 2023: 100%) ownership interest in Savola Foods Company (“SFC”), which was incorporated as a closed Saudi joint stock company pursuant to Ministerial Resolution No. 236/G dated Dhul Qadah 21, 1435H (September 16, 2014). Prior to its conversion to a closed joint stock company, SFC was operating as a limited liability company registered in the Kingdom of Saudi Arabia under commercial registration number 4030180782 issued in Jeddah on Rajab 05,1429H (July 08, 2008).

The principal objective of SFC is to deal in wholesale and retail trading of food items. SFC through its direct and indirect subsidiaries is engaged in the manufacturing, processing, marketing and distribution of products including edible oil, pasta, sugar, spices, nuts, pulses, seafood, confectionery, and agro cultivation, in the local and overseas market.

**SAVOLA GROUP COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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(Expressed in thousands of Saudi Riyal unless otherwise stated)

**1. GENERAL INFORMATION (continued)**

**(II) Savola Foods Company (continued)**

Subsidiaries controlled through Savola Foods Company:

<u>Subsidiary name</u>	<u>Country of incorporation</u>	<u>Principal business activity</u>	<u>Ownership interest (%)</u>	
			<u>June 30, 2024</u>	<u>December 31, 2023</u>
Afia International Company (“AIC”)	Saudi Arabia	Manufacturing of edible oils	<b>95.19</b>	95.19
Savola Industrial Investment Company (“SIIC”)	Saudi Arabia	Holding company	<b>99</b>	99
El Maleka for Food Industries Company	Egypt	Manufacturing of pasta	<b>100</b>	100
International Foods Industries Company (“IFI”)	Saudi Arabia	Manufacturing of specialty fats	<b>100</b>	100
Snacking and Ingredients Food Holding Company Limited (“SIFCO”)	UAE	Holding Company	<b>100</b>	100
Commodities Sourcing Company for Trading	Saudi Arabia	Trading Company	<b>100</b>	100
Seafood International Two FZCO	UAE	Seafood products trading and distribution	<b>100</b>	100
Savola Industrial Sustainable Development Company (ISDC)	Saudi Arabia	Renewable energy	<b>100</b>	100
Savola Foods Emerging Markets Company Limited	British Virgin Islands (BVI)	Holding company	<b>95.43</b>	95.43
Savola Foods for Sugar Company	Cayman Islands	Dormant company	<b>95</b>	95
Savola Foods Company International Limited	United Arab Emirates (UAE)	Holding company	<b>100</b>	100
Seafood International Holdco	Cayman Islands	Holding company	<b>100</b>	100
Al Maoun International Holding Company	Saudi Arabia	Holding company	<b>100</b>	100
Marasina International Real Estate Investment Limited	Saudi Arabia	Holding company	<b>100</b>	100
Afia Arabia for Foods	Saudi Arabia	Holding company	<b>100</b>	100
<b>SIFCO</b>				
Bayara Holding Limited	Cayman Islands	Holding company	<b>100</b>	100
Bayara FZE Limited	UAE	Holding Company	<b>100</b>	100
Savola Snacks	Egypt	Manufacturing of snacks	<b>99</b>	99

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(Expressed in thousands of Saudi Riyal unless otherwise stated)

**1. GENERAL INFORMATION (continued)**

**(II) Savola Foods Company (continued)**

a) Subsidiaries controlled through Afia International Company:

<u>Subsidiary name</u>	<u>Country of incorporation</u>	<u>Principal business activity</u>	<u>Ownership interest (%)</u>	
			<u>June 30, 2024</u>	<u>December 31, 2023</u>
Savola Behshahr Company (“SBeC”)	Iran	Holding company	<b>90</b>	90
KUGU Gıda Yatım Ve Ticaret A.Ş (“KUGU”)	Turkey	Holding company	<b>100</b>	100
Savola Foods Limited (“SFL”)	BVI	Holding company	<b>100</b>	100
Inveskz Inc.	BVI	Dormant company	<b>90</b>	90
Aseel Food – Hold Co.	Cayman Islands	Holding company	<b>100</b>	100
Malintra Holdings	Luxembourg	Dormant company	<b>100</b>	100
Afia International Company – Jordan (under liquidation)	Jordan	Dormant company	<b>98.57</b>	98.57
Afia Trading International	BVI	Dormant company	<b>100</b>	100
Savola Foods International	BVI	Dormant company	<b>100</b>	100
<b><u>SBeC</u></b>				
Behshahr Industrial Company (BIC)	Iran	Manufacturing of edible oils	<b>79.9</b>	79.9
Tolue Pakshe Aftab Company	Iran	Trading and distribution	<b>100</b>	100
Savola Behshahr Sugar Company	Iran	Trading and distribution	<b>100</b>	100
Notrika Golden Wheat Company	Iran	Manufacturing of Food and confectionery	<b>100</b>	100
<b><u>Behshahr Industrial Company</u></b>				
Mahsoolat Daryae Ta’ım Afarin Saba Company (Sahel)	Iran	Seafood products trading and distribution	<b>100</b>	100
<b><u>SFL</u></b>				
Afia International Company, Egypt (“AICE”)	Egypt	Manufacturing of edible oils	<b>99.95</b>	99.95
<b><u>AICE</u></b>				
Savola For Export and Import	Egypt	Trading and distribution	<b>49</b>	49
<b><u>KUGU</u></b>				
Savola Gıda Sanayi Ve Ticaret Anonim Şirketi	Turkey	Manufacturing of edible oils	<b>100</b>	100

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six-month period ended June 30, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**1. GENERAL INFORMATION (continued)**

**(II) Savola Foods Company (continued)**

b) Subsidiaries controlled through Savola Industrial Investment Company:

<u>Subsidiary name</u>	<u>Country of incorporation</u>	<u>Principal business activity</u>	<u>Direct ownership interest (%)</u>	
			<u>June 30, 2024</u>	<u>December 31, 2023</u>
United Sugar Company (“USC”)	Saudi Arabia	Manufacturing of sugar	<b>74.48</b>	74.48
<b><u>USC</u></b>				
Alexandria Sugar Company, Egypt (“ASCE”)*	Egypt	Manufacturing of sugar	<b>62.13</b>	62.13
Beet Sugar Industries	Cayman Islands	Dormant company	<b>100</b>	100
<b><u>ASCE</u></b>				
Alexandria United Company for Land Reclamation	Egypt	Agro cultivation	<b>100</b>	100
c) Subsidiaries controlled through Savola Foods Emerging Markets Company Limited:				
Savola Edible Oils (Sudan) Ltd.	Sudan	Manufacturing of edible oils	<b>100</b>	100
Afia International Company – Algeria	Algeria	Manufacturing of edible oils	<b>100</b>	100
d) Subsidiaries controlled through Savola Foods Company International Limited:				
Modern Behtaam Royan Kaveh Company	Iran	Food and confectionery	<b>100</b>	100
Middle East Technology Ventures Limited	Cayman Island	Holding Company	<b>100</b>	100
e) Subsidiaries controlled through Al Maoun and Marasina				
Alofog Trading DMMC	UAE	Trading and distribution	<b>100</b>	100
f) Subsidiaries controlled through Seafood International Two FZCO				
Seafood International One FZCO	UAE	Seafood products distribution	<b>80</b>	80

\* The Group’s effective ownership interest in ASCE is 71.66% (December 31, 2023: 71.66%).

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For the six-month period ended June 30, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**1. GENERAL INFORMATION (continued)**

**(II) Savola Foods Company (continued)**

g) Subsidiaries controlled through Bayara Holding Limited:

<u>Subsidiary name</u>	<u>Country of incorporation</u>	<u>Principal business activity</u>	<u>Direct ownership interest (%)</u>	
			<u>June 30, 2024</u>	<u>December 31, 2023</u>
Kamali Investment Limited	UAE	Holding Company	100	100
Kandoo Worldwide Limited	BVI	Managing trademarks	100	100

h) Subsidiaries controlled through Bayara FZE

GYMA Food Industries LLC	UAE	Processing of spices, nuts and pulses	100	100
Bayara Saudi Arabia Limited Group	Saudi Arabia	Processing of spices, nuts and pulses	100	100
Profood Holdings Limited (under liquidation)	UAE	Dormant company	100	100
GYMA Trading LLC	UAE	Trading of spices, nuts and pulses	100	100

**(III) Panda Retail Company**

The Parent Company has a 100% (December 31, 2023: 100%) ownership interest in Panda Retail Company (“Panda”), which was incorporated as a closed Saudi joint stock company pursuant to Ministerial Resolution No. 235/G dated Rajab 22, 1431H (July 3, 2010). Prior to its conversion to a closed joint stock company, Panda was operating as a limited liability company registered in the Kingdom of Saudi Arabia under commercial registration number 1010137417 issued in Riyadh on Rabi-ul-Awal 1, 1416H (July 28, 1995).

Panda together with its subsidiaries is principally engaged in wholesale and retail trading in food supplies and consumable materials. Panda Group operates through its network of hypermarkets and supermarkets.

During 2023, the Group entered into a share purchase agreement with Saudi Geant Company Limited (“the Seller”) to acquire the Seller’s minority interest of 1.13% in Panda Retail Company in exchange for consideration amounting to SR 60 million, resulting in increase in Group’s ownership interest in Panda to 100%. The transaction was classified as an acquisition without change in control and the resulting adjustment amounting to SR 32.9 million was recorded in equity under “Effect of transactions with non-controlling interests without change in control”.

Thereafter, on December 19, 2023, the shareholders of Panda resolved in the Extraordinary General Assembly Meeting, to decrease the share capital of the Panda by SR 695 million to absorb its accumulated losses followed by capital injection of SR 800 million by the shareholders. The legal formalities in this regard were completed on December 27, 2023.



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For the six-month period ended June 30, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**1. GENERAL INFORMATION (continued)**

**(III) Panda Retail Company (continued)**

Subsidiaries controlled through Panda:

<b><u>Subsidiary name</u></b>	<b><u>Country of incorporation</u></b>	<b><u>Principal business activity</u></b>	<b><u>Direct ownership interest (%)</u></b>	
			<b><u>June 30, 2024</u></b>	<b><u>December 31, 2023</u></b>
Giant Stores Trading Company	Saudi Arabia	Retail	<b>100</b>	100
Panda for Operations, Maintenance and Contracting Services	Saudi Arabia	Services and maintenance	<b>100</b>	100
Panda International for Retail Trading	Egypt	Retail	<b>100</b>	100
Panda Bakeries Company	Saudi Arabia	Dormant company	<b>100</b>	100
Atabet Al Bab Communications and Information Technology LLC	Saudi Arabia	E-commerce	<b>100</b>	100

**Giant**

Lebanese Sweets and Bakeries	Saudi Arabia	Dormant company	<b>95</b>	95
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**(IV) Good Food Company**

The Parent Company has a 100% (December 31, 2023: 100%) ownership interest in Good Food Company (“GFC”), which was incorporated as a limited liability company registered in the Kingdom of Saudi Arabia under commercial registration number 4030603674 issued in Jeddah on Rabi-ul-Thani 21, 1439H (January 8, 2018).

GFC through its direct and indirect subsidiaries is principally engaged in the processing, wholesale, retail and distribution of frozen food and seafood in the local and overseas markets.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six-month period ended June 30, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**1. GENERAL INFORMATION (continued)**

**(IV) Good Food Company (continued)**

<u>Subsidiary name</u>	<u>Country of incorporation</u>	<u>Principal business activity</u>	<u>Ownership interest (%)</u>	
			<u>June 30, 2024</u>	<u>December 31, 2023</u>
Variety Food Factory Company	Saudi Arabia	Manufacturing of frozen food	51	51
Al Ahsan Trading Company	Saudi Arabia	Trading and distribution	51	51
Al Helal Imports and Exports Company	Bahrain	Trading and distribution	51	51
Al Kabeer Holding Limited	UAE	Holding Company	51	51
Subsidiaries controlled through Al Kabeer Holding Limited				
Sahar Enterprises Company	UAE	Trading and distribution	100	100
Sahar Food Industry Company	UAE	Manufacturing of frozen food	100	100
Best Foodstuff Trading Company	UAE	Trading and distribution	100	100
Cascade Investments Limited (CIL)	UAE	Investment company	100	100
Cascade Marine Foods Company	UAE	Manufacturing frozen food	100	100
Al Sabah Foodstuff Enterprises Company	UAE	Trading and distribution	100	100
Best Foods Company	Oman	Trading and distribution	100	100

**2. BASIS OF PREPARATION**

**a) Statement of compliance**

The accompanying condensed consolidated interim financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards for Interim Financial Reporting (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are 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 December 31, 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 last annual financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six-month period ended June 30, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

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**2. BASIS OF PREPARATION (continued)**

**a) Statement of compliance (continued)**

**i) Accounting convention / Basis of Measurement**

These condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, going concern concept and under the historical cost basis, except for investments other than those carried at amortized cost, firm commitments and inventory under fair value hedging relationship, derivative financial instruments, lease liabilities and employee benefits which are recognised at the present value of future obligation using the Projected Unit Method. Certain comparative amounts have been reclassified to conform to the current period's presentation and do not have a material effect on these condensed consolidated interim financial statements.

**ii) Functional and presentation currency**

These condensed consolidated interim financial statements are presented in Saudi Riyal (SR) which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

**b) Critical accounting estimates and judgments**

The preparation of these condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

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.

**3. MATERIAL ACCOUNTING POLICIES**

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's last annual financial statement as at and for the year ended December 31, 2023. A number of amendments to standards which are effective from January 1, 2024, do not have a material effect on these condensed consolidated interim financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six-month period ended June 30, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**4. CASH AND CASH EQUIVALENTS**

	<b>June 30, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
Cash in hand	42,240	43,795
Cash at bank- current account	<u>601,780</u>	<u>743,688</u>
<b>Cash and bank balances</b>	<b>644,020</b>	787,483
Deposits with maturity less than three months	<u>247,757</u>	<u>425,710</u>
<b>Cash and cash equivalents presented in statement of financial position</b>	<b>891,777</b>	1,213,193
Bank overdrafts	<u>(90,336)</u>	<u>(80,734)</u>
<b>Cash and cash equivalents for cash flow purposes</b>	<b>801,441</b>	1,132,459
Term deposits (Note 4.1)	<u><u>808,822</u></u>	<u><u>738,395</u></u>

- 4.1 Term deposits are deposits with commercial banks, with an original maturity of more than three months and yield commission income at prevailing market rates. The management expects to realize these deposits within 12 months from the reporting date.

**SAVOLA GROUP COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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**5. EQUITY ACCOUNTED INVESTEEES**

The details of the Group's equity accounted investees are as follows:

<u>Name</u>	<u>Relationship</u>	<u>Country of incorporation</u>	<u>Principal business sector</u>	<u>Ownership interest (%)</u>		<u>Amount</u>	
				<u>June 30, 2024</u> (Unaudited)	<u>December 31, 2023</u> (Audited)	<u>June 30, 2024</u> (Unaudited)	<u>December 31, 2023</u> (Audited)
Almarai Company	Associate	Saudi Arabia	Fresh food products	<b>34.52</b>	34.52	<b>8,807,695</b>	8,770,990
Kinan International for Real Estate Development Company ("Kinan")	Associate	Saudi Arabia	Real estate	<b>29.9</b>	29.9	<b>368,929</b>	396,592
United Sugar Company, Egypt ("USCE")	Associate	Egypt	Sugar manufacturing	<b>33.82</b>	33.82	<b>109,324</b>	128,475
Intaj Capital Limited	Associate	Republic of Tunisia	Fund management	<b>49</b>	49	<b>2,814</b>	13,046
						<b><u>9,288,762</u></b>	<u>9,309,103</u>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six-month period ended June 30, 2024

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**6. INVESTMENTS**

	<b>June 30, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
Investments at fair value through other comprehensive income (Note 6.1)	<b>89,184</b>	98,068
Investments at fair value through profit or loss	<b>17,019</b>	22,871

**6.1 Investments at fair value through other comprehensive income**

	<b>June 30, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
Quoted investments (Note 6.1.1)	<b>49,738</b>	57,780
Unquoted investments	<b>39,446</b>	40,288
	<b>89,184</b>	98,068

6.1.1 The Group has applied an appropriate market participant discount factor in valuing one of its quoted investment due to the security-specific restrictions on disposal. Accordingly, the investments has been classified as level 2 securities.

**7. SHARE CAPITAL AND DIVIDEND DECLARATION**

At June 30, 2024 and December 31, 2023, the Group's share capital of SR 5.3 billion consists of 533.981 million fully paid shares of SR 10 each.

During the period, the Company's Board has recommended to increase the share capital of the Company by SR 6 billion through rights issue of shares. In this regard, an application had been submitted, dated April 28, 2024 (corresponding to 19 Shawwal 1445H), to CMA for increase of its share capital from SR 5.3 billion to SR 11.3 billion (hereafter, "the Application"). On July 31, 2024 (corresponding to 25 Muharram 1446H) the CMA has approved the Application. The completion of the rights issue is subject to approval of the Company's Extraordinary General Assembly (EGM) and the completion of all relevant other regulatory requirements and procedures. Further, the Board has also recommended the distribution of Company's entire shareholding in Almarai Company, in accordance with applicable KSA regulations, to the shareholders of the Company, subject to securing necessary approvals.

**8. SHARE BASED PAYMENT PLAN**

On April 29, 2020, the shareholders of the Company approved the Employees Long Term Incentive Program ("Plan") for the benefit of certain eligible senior executives of the Group (the "Participants"). The Plan entitles the Participants a conditional right to receive a number of restricted share units (each unit equal to the value of one share of the Company at the Grant date), following the satisfaction of service condition.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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(Expressed in thousands of Saudi Riyal unless otherwise stated)

**8. SHARE BASED PAYMENT PLAN (continued)**

Significant features of the Plans are as follows:

<u>Grant date / employees entitled</u>	<u>Total number of shares granted</u>		<u>Service / vesting period</u>	<u>Fair value per share on grant date</u>
	<u>Key Management Personnel</u>	<u>Other Senior Employees</u>		
September 10, 2023	170,586	529,590	3 years	SR 34.8
September 10, 2022	182,017	463,532	3 years	SR 31.2
September 10, 2021	135,185	268,462	3 years	SR 39.25
September 10, 2020	71,034	270,641	3 years	SR 49.0

Fair value per share on grant date is the closing price per share on Tadawul as at the grant date.

The total expense recognised for employees' services received during the period ended June 30, 2024, under the Plan amounted to SR 8.0 million (June 30, 2023: SR 4.8 million) and is included in 'salaries and employee related expenses' with a corresponding increase in the condensed consolidated statement of changes in equity under the 'Other reserves'.

As at June 30, 2024, the number of shares to be vested are 1,530,797 (December 31, 2023: 1,530,797), after forfeiture of 218,575 shares (December 31, 2023: 218,575 shares) due to the non-completion of service condition of certain employees.

**9. STATUTORY RESERVE**

In accordance with the Company's amended By-laws (refer Note 1), it is not required to set aside a statutory reserve. Nevertheless, the Ordinary General Assembly may, when determining dividends from the net profit, decide to allocate reserves in the amount that serves the Company's interests or ensure distribution of stable profits as much as possible to the shareholders. The statutory reserve appearing in the condensed consolidated interim financial statements as of March 31, 2024 was required as per the old Companies' Law. On May 7, 2024 (corresponding to 28 Shawwal 1445H), in accordance with the Company's amended By-laws, the General Assembly of the Company's shareholders resolved to transfer the previous statutory reserve, amounting to SR 1.8 billion (as of December 31, 2023) to retained earnings.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six-month period ended June 30, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**10. LOANS AND BORROWINGS**

The following information reflects the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortized cost:

	<b>June 30, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
<b>Non-current liabilities</b>		
Unsecured bond issues (Sukuk) (Note 10.2)	<b>1,000,000</b>	1,000,000
Unsecured bank loans	<b>3,502,354</b>	3,699,990
	<b>4,502,354</b>	4,699,990
<b>Current liabilities</b>		
Current portion of secured bank loans	--	11,862
Current portion of unsecured bank loans	<b>541,256</b>	375,796
Secured bank loan	<b>40,795</b>	43,103
Unsecured bank loans	<b>3,465,353</b>	3,376,219
Bank overdraft	<b>90,336</b>	80,734
	<b>4,137,740</b>	3,887,714
	<b>8,640,094</b>	8,587,704

- 10.1 These represent borrowings obtained from commercial banks and other financial institutions by the Parent Company and its subsidiaries. These borrowings are mainly in Saudi Riyals, Egyptian Pounds, Iranian Riyals, US Dollars (USD), Algerian Dinar, Turkish Lira, United Arab Emirates Dirhams and Sudanese Pounds. Certain of these borrowings are secured by a charge on the property, plant and equipment of certain overseas subsidiaries. Certain loan agreements include covenants which, amongst other things, require certain financial ratios to be maintained. Some of the borrowings of subsidiaries are secured by corporate guarantees of the Parent Company. As at June 30, 2024, loans and borrowings include sharia-compliant financing facilities amounting to SR 8.1 billion (December 31, 2023: SR 8.2 billion).
- 10.2 On July 9, 2019, the Group completed the offering of its new Sukuk, under the new program, with a total value of SR 1 billion with a tenor of 7 years and carrying an expected variable return to the Sukuk-holders of 6 months SIBOR plus 1.60% payable semi-annually. The Sukuk will mature on July 9, 2026. The issuance included SR 507 million of the previous Sukuk, that has been redeemed and exchanged.
- 10.3 Property, plant and equipment amounting to SR 22.5 million (December 31, 2023: SR 128.3 million) of certain overseas subsidiaries of the Group are pledged as collateral with commercial banks.
- 10.4 Inventories amounting to SR 7.3 million (December 31, 2023: SR 24.4 million) are pledged with foreign banks as collateral against the bank borrowing facilities of certain overseas subsidiaries.
- 10.5 As at June 30, 2024, the Group has unused bank financing facilities amounting to SR 5.5 billion (December 31, 2023: SR 6.0 billion) to manage short term and long-term liquidity requirements.



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six-month period ended June 30, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

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**11. ZAKAT AND INCOME TAXES**

**(a) Zakat status**

The Company has received final zakat certificates from the Zakat, Tax and Customs Authority (“ZATCA”) for all periods until 2012. Moreover, the years from 2013 to 2018 were also finalized based on the disclosure initiative. The Group settled additional liability of SR 5.4 million as per the amended returns. During the year 2020, the ZATCA issued a revised claim, for the previously finalized years from 2014 to 2018 claiming additional zakat difference of SR 59.5 million. The management had escalated the Company’s objection against the said claim to the level of General Secretariat of Tax Committees (GSTC). The GSTC issued the official decision showing a reduction of Zakat difference to SR 29.6 million. The management had transferred the case to the Appeal Committee and believes that the settlement of the claim is not probable, therefore no provision has been recorded in these condensed consolidated interim financial statements.

The ZATCA also issued amended assessments for years 1999 and 2000 and claimed additional SR 1.9 million. The case was escalated to the Bureau of Grievances.

Certain subsidiaries have also received final or provisional zakat certificates until the year 2023. Accordingly, payment plans have been pursued as per the agreement with ZATCA and liabilities have been adjusted against the final settlement amounts. Also, the Group has pending appeals against additional claims and assessments of certain subsidiaries with total Zakat differences of SR 35.3 million (December 31, 2023: SR 33.5 million).

**(b) Income tax status**

The Group’s foreign subsidiaries are obliged to pay income tax as per applicable tax laws of their countries of incorporation. Tax paying foreign subsidiaries determine their liabilities based on applicable corporate rates to the adjusted taxable income for the year. Certain foreign subsidiaries are also obliged to pay quarterly advance tax determined on prior year tax liability bases.

Certain foreign subsidiaries have received final tax assessments for certain years and provisional tax assessments for other years. They have also received queries from departments of income tax after their assessment or inspections for open years, for which replies have been filed.

The Group management believes that there are no significant amounts under protest with departments of income tax in any foreign operation.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six-month period ended June 30, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**12. CONTINGENCIES AND COMMITMENTS**

	<b>June 30, <u>2024</u> (Unaudited)</b>	December 31, <u>2023</u> (Audited)
	<b>Amounts in millions of <u>Saudi Riyals</u></b>	
Letters of credits	<b>41</b>	19
Bank guarantees	<b>98</b>	186
Commitments to buy raw sugar	<b>679</b>	704
Commitments to sell refined sugar	<b>1030</b>	1,314
Capital commitments	<b>280</b>	209
	<b><u>Quantity in Metric tonnes</u></b>	
Commitments to buy raw sugar	<b>375,590</b>	326,689
Commitments to sell refined sugar	<b>399,034</b>	457,874

During 2022, certain overseas subsidiaries in food processing segment received preliminary aggregate claims from local regulatory authorities and commercial banks amounting to SR 410 million, that were subsequently reduced to SR 297.4 million, to affect a new pricing mechanism for edible oil products by replacing subsidized rate mechanism. In this connection, such subsidiaries, while contesting the claims, made payments of SR 197 million and accrued a provision amounting to SR 12 million, based on the management's best estimate. During 2023, the local regulator raised an additional claim amounting to SR 64 million that was reduced during the period ended June 30, 2024 to SR 49.6 million. Management initially recorded a provision during 2023 amounting to SR 44.5 million that was increased during the period ended June 30, 2024 to SR 49.6 million, based on management's best estimate. As of the date of issuance of these condensed consolidated interim financial statements, total payment amounting to SR 49.1 million has been made against the additional claim.

**13. EARNINGS PER SHARE**

Basic earnings per share for the six-month period ended June 30, 2024 and June 30, 2023 have been computed by dividing the net profit attributable to shareholders of the Parent Company for such periods by the weighted average number of shares outstanding amounting to 530.716 million (June 30, 2023: 532.300 million) during such periods.

Diluted earnings per share for the six-month period ended June 30, 2024 and June 30, 2023, have been computed by dividing the profit attributable to shareholders of the Parent Company for such periods by the weighted average number of shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, amounting to 532.247 million (June 30, 2023: 533.431 million).

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**13. EARNINGS PER SHARE (continued)**

Weighted average number of ordinary shares for the purpose of computing earnings per share are as follows:

	<b>For the period ended June 30,</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>
<b><u>For Basic EPS calculation</u></b>		
Issued ordinary shares	<b>533,980,700</b>	533,980,700
Effect of treasury shares	<b>(3,264,452)</b>	(1,681,000)
Weighted average number of shares outstanding	<b><u>530,716,248</u></b>	<u>532,299,700</u>
<b><u>For Diluted EPS calculation</u></b>		
Weighted average number of ordinary shares outstanding (for basic EPS)	<b>530,716,248</b>	532,299,700
Effect of shares under employee share based option plan	<b>1,530,797</b>	1,131,403
Weighted average number of shares outstanding	<b><u>532,247,045</u></b>	<u>533,431,103</u>

**14. RELATED PARTIES**

Related parties include the Group's shareholders, associates and affiliated companies, other entities related to certain consolidated subsidiaries and key management personnel of the Group. Terms and conditions of these transactions are approved by the Group's management.

***Key management personnel compensation***

Compensation to the Group's key management personnel includes short term employee benefits amounting to SR 14.2 million (June 30, 2023: SR 14.0 million), post-employment benefits amounting to SR 0.6 million (June 30, 2023: SR 0.5 million) and Share-based payments expense amounting to SR 2.8 million (June 30, 2023: SR 2.1 million).

Board of Directors' remuneration the six-month period ended June 30, 2024, amounting to SR 1.1 million (June 30, 2023: SR 1.1 million) has been calculated in accordance with the Company's By-laws and is charged to the condensed consolidated statement of profit or loss and other comprehensive income. Attendance allowances and other expenses to the directors and members of various board committees amounting to SR 1.5 million (June 30, 2023: SR 1.5 million) are charged to expenses and included under administrative expenses.

***Other related party transactions***

A number of companies transacted with the Group during the period. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel related companies on arm's length basis.

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**14. RELATED PARTIES (continued)**

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within agreed credit period from the date of transaction. None of the balances are secured. No expense has been recognised in the current or prior period for bad or doubtful debts in respect of amounts owed by related parties.

The aggregate value of related parties' transactions and outstanding balances including those related to key management personnel, and entities over which they have control or significant influence are as follows:

<u>Name</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>Amount of transactions</u>		<u>Closing balance</u>	
			<u>June 30 2024</u>	<u>2023</u>	<u>June 30, 2024</u> (Unaudited)	<u>December 31, 2023</u> (Audited)
<b><u>Due from related parties – Trade receivables</u></b>						
Almarai	Associate	Sales	<b>34,849</b>	34,089	<b>7,023</b>	7,362
Western Bakeries Company Limited	Subsidiary of associate	Sales	<b>35,652</b>	40,661	<b>5,471</b>	8,884
					<b>12,494</b>	<b>16,246</b>
<b><u>Due from related parties – Prepayments and other receivables</u></b>						
		Margin Call / Payments on behalf / Advance against purchases				
USCE	Associate		<b>40,369</b>	--	<b>126,311</b>	85,942
Al Mehbaj Al Shamiyah Trading Company*	Common Directorship	Commission income	<b>4,583</b>	3,463	<b>2,945</b>	3,788
Waste Collection & Recycling Company*	Common Directorship	Scrap Sales	<b>1,243</b>	1,501	<b>998</b>	444
Zohoor Alreef*	Common Directorship	Rental income	<b>37</b>	16	<b>576</b>	577
Khairat AlSharq for General Trade and Manufacturing Foodstuff Company (KASCO)	Subsidiary of associate	Payments on behalf	--	1,532	--	--
					<b>130,830</b>	<b>90,751</b>

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**14. RELATED PARTIES (continued)**

<u>Name</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>Amount of transactions</u>		<u>Closing balance</u>	
			<u>June 30 2024</u>	<u>2023</u>	<u>June 30, 2024 (Unaudited)</u>	<u>December 31, 2023 (Audited)</u>
<b><u>Due to related parties</u></b>						
<b><u>– Trade payables</u></b>						
Almarai	Associate	Purchases	<b>469,406</b>	430,174	<b>118,833</b>	122,964
Nestle Group*	Common	Purchases	<b>166,414</b>	148,495	<b>36,068</b>	30,172
	Directorship					
Mayar Food Company*	Common	Purchases	<b>96,600</b>	88,321	<b>34,094</b>	36,928
	Directorship					
Del Monte Saudi Arabia Limited*	Common Directorship	Purchases	<b>9</b>	8,122	<b>1,993</b>	2,003
Al Manhal Water Factory Company Limited*	Common Directorship	Purchases	<b>3,652</b>	3,284	<b>1,829</b>	1,400
Al Jazirah Dates & Food Factory*	Common Directorship	Purchases	--	--	<b>49</b>	49
Al Mehbaj Al Shamiyah Trading Company*	Common Directorship	Purchases	<b>12,914</b>	6,072	<b>689</b>	1,791
USCE	Associate	Purchases	<b>37,766</b>	--	<b>6,527</b>	--
					<b>200,082</b>	<b>195,307</b>

**Due to related parties – Accrued and other liabilities**

USCE	Associate	Loans/Advances / Margin Call / Payments on behalf	--	197,043	--	--
		Rental and lease payments	<b>9,671</b>	9,333	--	--
Dur Hospitality Company*	Common Directorship	Lease payments	<b>6,000</b>	--	--	--
					--	--

\*The above tables include certain balances amounting to SR 4.5 million (December 31, 2023: SR 4.8 million) for due from related parties and SR 74.7 million (December 31, 2023: SR 72.3 million) for due to related parties pertaining to entities having common directorships or common key management personnel in accordance with local laws and regulations.

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**15. OPERATING SEGMENTS**

The Group has five reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Chief Executive Officer (Chief Operating Decision Maker) reviews internal management reports on at least quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

**Food processing** - includes manufacturing, sale and distribution of Edible oils, Sugar, Pasta, Spices, Nuts, Pulses and other food products.

**Retail** - includes hyper markets, supermarkets and convenience stores operations.

**Food services** - includes food products and fast food restaurants' chain operated by Herfy.

**Frozen Food** - includes manufacturing, wholesale and retail distribution of frozen food products operated by Good Food Company.

**Investments** - includes real estate activities, investments in equity-accounted investees and other investments.

The segments which do not meet any of the quantitative thresholds for determining reportable segments, are classified as "Others / Eliminations", which mainly include the eliminations.

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**15. OPERATING SEGMENTS (continued)**

Performance is measured based on segment profit net of income tax and zakat, as included in the internal management reports. Management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis. Information regarding the results of each reportable segment is included below:

<b>June 30, 2024 (Unaudited)</b>	<b>Reportable Segments</b>					<b>Others / Eliminations</b>	<b>Total</b>
	<b>Food Processing</b>	<b>Retail</b>	<b>Food Services</b>	<b>Frozen Food</b>	<b>Investments</b>		
External revenues	6,690,030	5,514,600	578,952	373,262	--	--	13,156,844
Inter segment revenue	228,311	2,195	11,211	26,011	14,603	(282,331)	--
Segment revenue	6,918,341	5,516,795	590,163	399,273	14,603	(282,331)	13,156,844
Cost of revenues	(5,663,115)	(4,203,131)	(452,526)	(264,775)	(8,490)	268,707	(10,323,330)
Share of results of equity- accounted investees, net of zakat and tax	(20,232)	--	--	--	425,953	--	405,721
Finance cost – net	(292,066)	(71,430)	(17,463)	(2,887)	(180,736)	--	(564,582)
Depreciation and amortisation	(125,077)	(338,484)	(84,794)	(10,265)	(13,166)	--	(571,786)
Others	(502,976)	(864,578)	(58,630)	(91,527)	(56,259)	13,624	(1,560,346)
Segment net profit before non-controlling interests	314,875	39,172	(23,250)	29,819	181,905	--	542,521
Segment net profit	261,400	39,172	(23,250)	29,819	181,905	(4,945)	484,101
Investment in equity-accounted Investees	77,621	--	--	--	9,211,141	--	9,288,762
Segment assets	9,409,756	6,934,352	1,852,278	1,093,134	14,889,040	(4,859,391)	29,319,169
Segment liabilities	7,306,555	5,785,067	842,055	797,145	6,047,925	(1,153,774)	19,624,973

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**15. OPERATING SEGMENTS (continued)**

	Reportable Segments					Others / Eliminations	Total
	Food Processing	Retail	Food Services	Frozen Food	Investments		
<u>June 30, 2023 (Unaudited)</u>							
External revenues	7,587,706	5,414,843	551,318	353,913	--	--	13,907,780
Inter segment revenue	207,714	886	12,028	22,001	15,645	(258,274)	--
Segment Revenue	<u>7,795,420</u>	<u>5,415,729</u>	<u>563,346</u>	<u>375,914</u>	<u>15,645</u>	<u>(258,274)</u>	<u>13,907,780</u>
Cost of revenues	(6,544,751)	(4,171,768)	(437,244)	(244,734)	(10,489)	250,195	(11,158,791)
Share of results of equity- accounted investees, net of zakat and tax	(25,186)	--	--	--	421,161	--	395,975
Finance cost – net	(242,035)	(90,242)	(16,104)	(2,055)	(125,776)	--	(476,212)
Depreciation and amortisation	(116,067)	(303,797)	(85,816)	(13,584)	(16,595)	--	(535,859)
Others	(516,909)	(886,719)	(32,462)	(84,406)	(41,904)	8,079	(1,554,321)
Segment net profit before non-controlling interests	350,472	(36,797)	(8,280)	31,135	242,042	--	578,572
Segment net profit	309,676	(36,797)	(8,280)	31,135	242,042	(12,998)	524,778
Investment in equity-accounted Investees	94,925	--	--	--	8,900,782	--	8,995,707
<u>December 31, 2023 (Audited)</u>							
Segment assets	<u>10,257,208</u>	<u>6,995,161</u>	<u>1,906,672</u>	<u>1,078,240</u>	<u>14,466,734</u>	<u>(4,741,352)</u>	<u>29,962,663</u>
Segment liabilities	<u>7,905,589</u>	<u>5,878,793</u>	<u>873,194</u>	<u>812,072</u>	<u>5,788,191</u>	<u>(829,696)</u>	<u>20,428,143</u>

15.1 The Revenue of the Group is contributed by Arabia (which represents GCC and Levant), Egypt and other geographical locations amounting to SR 9.1 billion, SR 2.1 billion and SR 2.0 billion, respectively (June 30, 2023: SR 9.4 billion, SR 2.2 billion and SR 2.3 billion).

15.2 The Non-current assets of the Group are contributed by Arabia (which represents GCC and Levant), Egypt and other geographical locations amounting to SR 19.0 billion, SR 0.6 billion and SR 0.5 billion, respectively (December 31, 2023: SR 19.2 billion, SR 0.7 billion and SR 0.5 billion).



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**16. FINANCIAL RISK MANAGEMENT**

**a) Accounting classification and fair values**

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

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included 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 liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

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

As the Group's financial instruments are compiled under the historical cost convention, except for FVOCI investments, FVTPL investments, inventory and firm commitments under fair value relationships and derivative financial instruments which are carried at fair values, differences can arise between the book values and fair value estimates. Management believes that the fair values of the Group's financial assets and liabilities are not materially different from their carrying values.

The following table shows the carrying amount and fair values of the financial assets and financial liabilities, including their levels and fair value hierarchy. It doesn't include fair value information for financial assets and financial liabilities not measured at fair value if the carrying value is a reasonable approximation of fair value.

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**16. FINANCIAL RISK MANAGEMENT (continued)**

**a) Accounting classification and fair values (continued)**

	Carrying amount				Fair Value			
	Mandatorily at FVTPL - others	Designated at fair value	Hedging instruments	FVOCI	Level 1	Level 2	Level 3	Total
<b>June 30, 2024</b> <b>(Unaudited)</b>								
<i>Financial assets measured at fair value</i>								
Investment at fair value through profit or loss	17,019	--	--	--	--	--	17,019	17,019
Future exchange contracts used for hedging	--	--	96,328	--	--	96,328	--	96,328
Equity securities (Note 6)	--	--	--	89,184	6,193	43,545	39,446	89,184
	<u>17,019</u>	<u>--</u>	<u>96,328</u>	<u>89,184</u>	<u>6,193</u>	<u>139,873</u>	<u>56,465</u>	<u>202,531</u>
<i>Financial liabilities measured at fair value</i>								
Future exchange contracts used for hedging	--	--	159,583	--	--	159,583	--	159,583
Other future exchange Contracts	--	41,242	--	--	--	41,242	--	41,242
Put option (see "*" below)	--	228,915	--	--	--	--	228,915	228,915
	<u>--</u>	<u>270,157</u>	<u>159,583</u>	<u>--</u>	<u>--</u>	<u>200,825</u>	<u>228,915</u>	<u>429,740</u>
	Carrying amount				Fair Value			
	Mandatorily at FVTPL - others	Designated at fair value	Hedging instruments	FVOCI	Level 1	Level 2	Level 3	Total
<b>December 31, 2023</b> <b>(Audited)</b>								
<i>Financial assets measured at fair value</i>								
Investment at fair value through profit or loss	22,871	--	--	--	--	--	22,871	22,871
Future exchange contracts used for hedging	--	--	299,786	--	--	299,786	--	299,786
Equity securities (Note 6)	--	--	--	98,068	4,522	53,258	40,288	98,068
	<u>22,871</u>	<u>--</u>	<u>299,786</u>	<u>98,068</u>	<u>4,522</u>	<u>353,044</u>	<u>63,159</u>	<u>420,725</u>
<i>Financial liabilities measured at fair value</i>								
Future exchange contracts used for hedging	--	--	246,536	--	--	246,536	--	246,536
Other future exchange Contracts	--	59,137	--	--	--	59,137	--	59,137
Put option	--	274,255	--	--	--	--	274,255	274,255
	<u>--</u>	<u>333,392</u>	<u>246,536</u>	<u>--</u>	<u>--</u>	<u>305,673</u>	<u>274,255</u>	<u>579,928</u>

(\* ) On May 23, 2024, an Accession, Amendment, and Confirmation Agreement (AACA) was signed between European Bank for Reconstruction and Development (EBRD), SFC, and the existing shareholders in USCE; wherein the existing shareholders in USCE include Savola Group Company, USC and others (the "Relevant Shareholders"). The AACA amends the previous related

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**16. FINANCIAL RISK MANAGEMENT (continued)**

**a) Accounting classification and fair values (continued)**

(\* continued) agreements with EBRD executed in 2016. The AACA includes sale of certain shares, held by EBRD in USCE, to the Relevant Shareholders for USD 20.9 million (equivalent to SR 78.3 million) and the settlement of existing Put option liability for USD 22.6 million (equivalent to SR 84.8 million) during 2024. The AACA also includes Put and Call option arrangements between EBRD and the respective parties.

**b) Measurement of fair values**

**Valuation technique and significant unobservable inputs**

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair value, as well as significant unobservable input used.

**Financial instruments measured at fair value**

<u>Type</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurements</u>
Equity securities	Market comparison technique, PE multiple, Price to Book value.	Price Earnings Multiples, Discount factor, Price to Book value and Price to Tangible Book Value.	Not applicable
Future contracts	Broker quotes	Not applicable	Not applicable
Put option	Black Scholes Model	Strike price Volatility of Sugar index Spot price (fair value)	Increase in fair value will decrease the value of put option. Increase in volatility index will increase the value of Put option.

**17. CAPITAL MANAGEMENT**

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

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**17. CAPITAL MANAGEMENT (continued)**

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares. The Group also monitors capital using a leverage ratio, which is calculated as total liabilities (as shown in the condensed consolidated statement of financial position) less Cash and cash equivalents.

Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserves. The leverage ratio as follows:

	<b>June 30, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
Total liabilities	19,624,973	20,428,143
Less: Cash and cash equivalents	(891,777)	(1,213,193)
<b>Adjusted net debt</b>	<b>18,733,196</b>	19,214,950
Total equity	9,694,196	9,534,520
Hedging reserve	2,527	20,409
<b>Adjusted equity</b>	<b>9,696,723</b>	9,554,929
<b>Adjusted net debt to adjusted equity ratio</b>	<b>1.93</b>	2.01

**18. AMENDMENTS TO STANDARDS AND STANDARDS ISSUED AND NOT YET EFFECTIVE**

**a) Standards, interpretations, and amendments issued**

This table lists the recent changes to the Standards that are required to be applied for an annual period beginning on or after January 1, 2024 and that are available for early adoption in annual periods beginning on January 1, 2024.

<b><u>Standards, amendments, interpretations</u></b>	<b><u>Description</u></b>	<b><u>Effective date</u></b>
Amendments to IAS 1 Presentation of Financial Statements	Non-current Liabilities with covenants and classification of Liabilities as Current or Non-current	01 January 2024
Amendments to IFRS 16 Leases	Lease Liability in a Sale and Leaseback	01 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	01 January 2024

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**18. AMENDMENTS TO STANDARDS AND STANDARDS ISSUED AND NOT YET EFFECTIVE (continued)**

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

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

<b><u>Standards, amendments, interpretations</u></b>	<b><u>Description</u></b>	<b><i>Effective from periods beginning on or after the following date</i></b>
Amendments to IAS 21	Lack of exchangeability – Amendments to IAS 21	01 January 2025
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption/effective date deferred indefinitely
New standard IFRS 18	Presentation and Disclosure in Financial Statements	01 January 2027
New standard IFRS 19	Reducing subsidiaries disclosures	01 January 2027

The standards, interpretations, and amendments with an effective date on or after January 1, 2025, will not have any material impact on the Group's condensed consolidated interim financial statements, except for the above-mentioned standards, interpretations, and amendments, where the Company is currently assessing the implications on the Group's condensed consolidated interim financial statements on adoption.

**19. SUDAN AND EGYPT OPERATIONS**

During April 2023, an armed conflict began in the Republic of Sudan. In this respect, the management has temporarily suspended production operations keeping in view the safety of its workforce and set-up a taskforce to closely monitor the situation, assess the impact on its operations. As of June 30, 2024, management believes that the possible impact is not material to the Group's operations.

On March 6, 2024, the Central Bank of Egypt announced the devaluation of Egyptian Pound (EGP) leading to a significant drop in exchange rates and hike in interest rates. Given the prior cumulative 3-year inflation rates and with the current devaluation in March 2024, a review of the hyperinflationary accounting for EGP in accordance with IAS 29, may be triggered. The Group is monitoring the possible impacts of the hyperinflationary accounting on its operations in Egypt.

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**20. DATE OF AUTHORISATION FOR ISSUE**

These condensed consolidated interim financial statements were authorized for issue by the Company's Board of Directors on August 6, 2024, corresponding to Safar 2, 1446H.