

AGTHIA GROUP PJSC

**Report and interim condensed consolidated
financial statements for the three-month
period ended 31 March 2024**

AGTHIA GROUP PJSC

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AGTHIA GROUP PJSC

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Agthia Group PJSC (the “Company”) and its subsidiaries (together referred to as the “Group”) as at 31 March 2024 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard (IAS) 34, “*Interim Financial Reporting*”. Our responsibility is to express a conclusion on this interim financial information 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*”. 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 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 interim financial information is not prepared, in all material respects in accordance with IAS 34, “*Interim Financial Reporting*”.

Deloitte & Touche (M.E.)



Mohammad Khamees Al Tah
Registration Number 717
15 May 2024
Abu Dhabi
United Arab Emirates

**Interim condensed consolidated statement of financial position
as at 31 March 2024**

		31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
	Notes		
ASSETS			
Non-current assets			
Right-of-use assets	6	100,419	108,133
Property, plant and equipment	7	1,419,972	1,460,821
Investment in associates and a joint venture	8	20,337	19,905
Goodwill	9	1,858,593	1,858,593
Intangible assets	10	546,143	549,513
Derivative financial instruments	16	9,818	-
Total non-current assets		3,955,282	3,996,965
Current assets			
Inventories	11	802,093	926,834
Trade and other receivables	12	1,148,152	1,071,413
Due from related parties	19	22,051	15,142
Cash and bank balances	13	482,605	629,958
Total current assets		2,454,901	2,643,347
Total assets		6,410,183	6,640,312

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

**Interim condensed consolidated statement of financial position
as at 31 March 2024 (continued)**

	Notes	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
EQUITY AND LIABILITIES			
Equity			
Share capital		791,577	791,577
Share premium		652,097	652,097
Legal reserve		278,043	278,043
Translation reserve		(257,151)	(186,549)
Retained earnings		1,428,882	1,374,609
Equity attributable to the owners of the Company		2,893,448	2,909,777
Non-controlling interests		255,748	283,770
Total equity		3,149,196	3,193,547
Non-current liabilities			
Provision for employees' end of service benefits		110,090	111,243
Bank borrowings	14	1,247,028	1,229,603
Lease liabilities		68,495	75,126
Deferred government grant	15	11,518	13,435
Derivative financial instruments	16	-	2,128
Deferred tax liabilities	18	42,641	42,641
Total non-current liabilities		1,479,772	1,474,176
Current liabilities			
Bank borrowings	14	222,837	320,496
Lease liabilities		31,555	33,326
Deferred government grant	15	11,037	11,878
Trade and other payables	17	1,515,786	1,606,889
Total current liabilities		1,781,215	1,972,589
Total liabilities		3,260,987	3,446,765
Total equity and liabilities		6,410,183	6,640,312

To the best of our knowledge, the interim condensed consolidated financial statements present fairly in all material respects the financial condition, financial performance and cash flows of the Group as of, and for, the period / year presented therein.

These interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 15 May 2024 and signed on its behalf:



Khalifa Sultan Al Suwaidi
Chairman



Alan Smith
Chief Executive Officer



Sherif Elfaham
Chief Financial Officer



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



**Interim condensed consolidated statement of profit or loss
for the three-month period ended 31 March 2024**

	Notes	Three-month period ended 31 March (unaudited)	
		2024 AED'000	2023 AED'000
Revenue		1,449,349	1,182,357
Cost of sales		(1,032,742)	(844,880)
Gross profit		416,607	337,477
Selling and distribution expenses		(163,390)	(133,837)
General and administrative expenses		(111,352)	(86,486)
Research and development cost		(1,760)	(2,061)
Other income, net		19,087	12,171
Operating profit		159,192	127,264
Finance income		4,362	10,004
Finance expense		(16,446)	(31,492)
Share of profit from investment in an associate and a joint venture		432	1,594
Profit for the period before income tax and zakat		147,540	107,370
Income tax and zakat expenses	26	(19,943)	(10,678)
Profit for the period		127,597	96,692
Attributable to:			
Owners of the Company		115,865	86,833
Non-controlling interest		11,732	9,859
		127,597	96,692
Basic and diluted earnings per share (AED)	20	0.146	0.110

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

**Interim condensed consolidated statement of comprehensive income
for the three-month period ended 31 March 2024**

	Three month-period ended 31 March (unaudited)	
	2024 AED'000	2023 AED'000
Profit for the period	127,597	96,692
Other comprehensive loss:		
<i>Item that may be subsequently reclassified to profit or loss</i>		
Foreign currency translation difference on foreign operations	(91,915)	(38,218)
Cashflow hedges – effective portion of changes in fair value	-	(973)
<i>Item that will not be subsequently reclassified to profit or loss</i>		
Re-measurement of employees' end of service benefits	2,084	(656)
Other comprehensive loss	(89,831)	(39,847)
Total comprehensive income for the period	37,766	56,845
Attributable to:		
Owners of the Company	47,309	56,247
Non-controlling interest	(9,543)	598
	37,766	56,845

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

**Interim condensed consolidated statement of changes in equity
for the three-month period ended 31 March 2024**

	Share capital AED'000	Share premium AED'000	Legal reserve AED'000	Translation reserve AED'000	Hedge reserve AED'000	Retained earnings AED'000	Attributable to Owners of the Company AED'000	Non- controlling interest AED'000	Total AED'000
Balance at 1 January 2023 (audited)	791,577	652,097	251,942	(150,531)	222	1,267,967	2,813,274	272,619	3,085,893
Profit for the period	-	-	-	-	-	86,833	86,833	9,859	96,692
<i>Other comprehensive loss for the period:</i>									
Foreign currency translation difference on foreign operations	-	-	-	(28,973)	-	-	(28,973)	(9,245)	(38,218)
Remeasurement of employees' end of service benefits	-	-	-	-	-	(640)	(640)	(16)	(656)
Cash flow hedges – effective portion of changes in fair value	-	-	-	-	(973)	-	(973)	-	(973)
<i>Total comprehensive (loss)/income for the period</i>	-	-	-	(28,973)	(973)	86,193	56,247	598	56,845
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(2,613)	(2,613)
Balance at 31 March 2023 (unaudited)	791,577	652,097	251,942	(179,504)	(751)	1,354,160	2,869,521	270,604	3,140,125
Balance at 1 January 2024 (audited)	791,577	652,097	278,043	(186,549)	-	1,374,609	2,909,777	283,770	3,193,547
Profit for the period	-	-	-	-	-	115,865	115,865	11,732	127,597
<i>Other comprehensive (loss)/income for the period:</i>									
Foreign currency translation difference on foreign operations	-	-	-	(70,602)	-	-	(70,602)	(21,313)	(91,915)
Remeasurement of employees' end of service benefits	-	-	-	-	-	2,046	2,046	38	2,084
<i>Total comprehensive (loss)/income for the period</i>	-	-	-	(70,602)	-	117,911	47,309	(9,543)	37,766
Acquisition of non-controlling interests (note 25)	-	-	-	-	-	(63,638)	(63,638)	(18,479)	(82,117)
Balance at 31 March 2024 (unaudited)	791,577	652,097	278,043	(257,151)	-	1,428,882	2,893,448	255,748	3,149,196

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

**Interim condensed consolidated statement of cash flows
for the three-month period ended 31 March 2024**

	Notes	Three-month period ended 31 March (unaudited)	
		2024 AED'000	2023 AED'000
Cash flows from operating activities			
Profit before tax and zakat expenses		147,540	107,370
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	7	42,024	42,554
Amortisation of intangible assets	10	3,267	5,186
Amortisation of right-of-use-assets	6	11,447	10,495
Finance income		(4,362)	(10,004)
Finance expense		30,826	32,761
Provision for employees' end of service benefits		4,245	2,593
Interest on lease liabilities		1,833	1,506
Movement in allowance for impairment losses of trade receivables, net	12	4,168	1,994
Gain on sale of property, plant and equipment	7	(403)	(186)
Net gain on derivative instruments	16	(11,946)	-
Movement in provision for slow moving inventory, net	11	2,342	1,535
Share of profit from investment in an associate and a joint venture		(432)	(1,594)
Net cash from operating activities before movement in working capital		230,549	194,210
<i>Changes in:</i>			
Inventories		122,399	77,107
Trade and other receivables		(80,907)	(108,165)
Due from related parties		(6,909)	(5,667)
Other provisions		(37,025)	(23,382)
Deferred government grant		(2,758)	(2,692)
Trade and other payables		(91,103)	85,394
Cash generated from operations		134,246	216,805
Payment of employees' end of service benefits		(3,287)	(4,360)
Income tax paid		(622)	(1,915)
Net cash generated from operating activities		130,337	210,530
Cash flows from investing activities			
Acquisition of property, plant and equipment	7	(47,737)	(30,647)
Investment in fixed deposits, net		111,727	348,576
Interest received		7,129	16,089
Acquisition of non-controlling interests	25	(82,117)	-
Dividends received from an associate		-	1,817
Proceeds from sale of property, plant and equipment		622	1,121
Net cash (used in)/generated from investing activities		(10,376)	336,956

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

**Interim condensed consolidated statement of cash flows
for the three-month period ended 31 March 2024 (continued)**

	Notes	Three-month period ended	
		31 March (unaudited)	
		2024	2023
		AED'000	AED'000
Cash flows from financing activities			
Bank borrowings- net		(183,107)	(212,096)
Availed / (repayment) of a long-term loan, net		17,425	(263,409)
Interest paid		(15,889)	(24,227)
Repayment of principal repayment of lease liability		(25,542)	(18,126)
Dividends paid to non-controlling interests		-	(2,613)
		<hr/>	<hr/>
Net cash (used in) financing activities		(207,113)	(520,471)
		<hr/>	<hr/>
(Decrease)/increase in cash and cash equivalents		(87,152)	27,015
Effect of foreign exchange		(33,922)	(6,583)
Cash and cash equivalents as at 1 January	13	277,708	221,121
		<hr/>	<hr/>
Cash and cash equivalents as at 31 March	13	156,634	241,553
		<hr/> <hr/>	<hr/> <hr/>

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

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2024**

1 General information

Agthia Group PJSC (“the Company”) was incorporated as a Public Joint Stock Company pursuant to the Ministerial Resolution No. 324 for 2004 in the Emirate of Abu Dhabi. General Holding Corporation PJSC (SENAAT) owns 62.9% of the Company’s shares. Pursuant to Law No (02) of 2018 and Executive Council Resolution No. (33) of 2020, SENAAT became wholly owned by Abu Dhabi Development Holding Company “Public Joint Stock Company” (ADQ) which is wholly owned by the Government of Abu Dhabi.

The principal activities of the Company and its subsidiaries (together referred to as the “Group”) are to establish, invest, trade and operate companies and businesses that are involved in the food and beverage sector.

The registered office of the Company is at Al Reem Island, Sky Towers, 17th Floor, P.O. Box 37725, Abu Dhabi, United Arab Emirates.

The principal activities, country of incorporation and operation, and ownership interest of the Company in its subsidiaries are set out below:

Name of the subsidiary	Place of incorporation and operation	Legal ownership interest %		Beneficial ownership interest (%)		Principal activities
		31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023	
Grand Mills Company PJSC (Agri business division)	UAE	100	100	100	100	Production and sale of flour and animal feed.
Al Ain Food and Beverages PJSC (Al Ain Water)	UAE	100	100	100	100	Production and sale of bottled water, flavored water, juices, yogurt, tomato paste, frozen vegetables, frozen baked products and trading products.
Agthia Group Egypt LLC (Agthia Egypt)*	Egypt	100	100	100	100	Processing and sale of tomato paste, chilli paste, fruit concentrate and frozen vegetables.
Al Bayan Purification and Potable Water LLC (Al Bayan)*	UAE	100	100	100	100	Production, bottling and sale of bottled water.
Delta Alagthia for Manufacturing Company Limited (Delta)	KSA	100	100	100	100	Production, bottling and sale of bottled water.
Al Rammah National for General Trading and Contracting Company WLL (Al Rammah)	Kuwait	50	50	50	50	Production, bottling and sale of bottled water.

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2024 (continued)**

1 General information (continued)

Name of the subsidiary	Place of incorporation and operation	Legal ownership interest %		Beneficial ownership interest (%)		Principal activities
		31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023	
Al Foah Company LLC (Foah)	UAE	100	100	100	100	Sourcing, processing and trading of dates related products.
Al Faysal Bakery and Sweets Company WLL (Al Faysal)	Kuwait	100	100	100	100	Manufacturing and trading in bakery and foodstuff.
Al Nabil Food Industries LLC (Al Nabil)	Jordan	80	80	80	80	Manufacturing and trading in processed protein food products.
Ismailia Agricultural and Industrial Investment (Furat) (Atyab)	Egypt	75.02	75.02	75.02	75.02	Manufacturing and trading in processed protein food products.
Mediterranean Confectionery Company Limited (BMB)**	KSA	100	100	80	80	Trading of foodstuff and bakery products
Baklawa Made Better Investments LLC (BMB)**	UAE	100	100	80	80	Manufacturing and trading of sweets and snacking items.
A.U.F. Egypt for Manufacturing and Distribution of Nuts S.A.E. (Abu Auf) ***	Egypt	70	60	70	60	Manufacturing and trading of healthy snacks, nuts and coffee.

* 5% of the share capital of Agthia Egypt and Al Bayan is recorded in the books of Al Ain Food and Beverages PJSC on behalf of Agthia Group PJSC. The beneficial owner of that 5% share capital is Agthia Group PJSC.

** Represents the Group's beneficial ownership after excluding the economic interest of the management party. Agthia Group legally owns 100% of these companies issued share capital.

*** On 29 February 2024, the Group acquired an additional 10% ownership interest in Abu Auf Holding Netherlands B.V., increasing its ownership interest from 60% to 70% (note 25).

2 Application of new and revised International Financial Reporting Standards ("IFRSs")

2.1 New and revised IFRSs applied with no material effect on the interim condensed consolidated financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these interim condensed consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements
- Amendment to IFRS 16 Leases - Lease Liability in a Sale and Leaseback

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2024 (continued)**

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

2.2 New and revised IFRS in issue but not yet effective

The Group has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date not yet decided
Amendment to IAS 21 - Lack of Exchangeability	1 January 2025
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS Accounting Taxonomy 2023 - Update 2 Common Practice for Financial Instruments, General Improvements and Technology Update	Effective date not yet decided
IFRS Accounting Taxonomy 2023 - Update 1 International Tax Reform - -Pillar Two Model Rules, Supplier Finance Arrangements and Lack of Exchangeability	Effective date not yet decided
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Effective date not yet decided by the regulator in the United Arab Emirates
IFRS S2 Climate-related Disclosures	Effective date not yet decided by the regulator in the United Arab Emirates

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's interim condensed consolidated financial statements as and when they are applicable and adoption of these new standards and amendments may have no material impact on the interim condensed consolidated financial statements of the Group in the period of initial application.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the interim condensed consolidated financial information of the Group.

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2024 (continued)****3 Basis of preparation**

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" and also comply with the applicable requirements of UAE laws and regulations.

These interim condensed consolidated financial statements are presented in UAE Dirhams (AED) since that is the currency in which the majority of the Group's transactions are denominated and all values are rounded to the nearest thousand (AED'000) except when otherwise indicated.

These interim condensed consolidated financial statements have been prepared on the historical cost basis, except otherwise stated.

These interim condensed consolidated financial statements do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the Group's audited consolidated financial statements as at and for the year ended 31 December 2023. In addition, results for the three-months period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

4 Summary of significant accounting policies

The accounting policies used in the preparation of this interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2023, and the notes attached thereto.

5 Accounting estimates and judgements

The critical judgements and estimates used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

6 Right-of-use assets

During the three-month period ended 31 March 2024, right-of-use assets additions amounted to AED 15,315 thousand (31 March 2023 AED 13,364 thousand).

During the three-month period ended 31 March 2024, right-of-use assets with a carrying amount of AED 8 thousand were terminated (31 March 2023: AED 748 thousand).

Amortisation charge on right-of-use assets during the three-month period ended 31 March 2024 amounted to AED 11,447 thousand (31 March 2023: AED 10,495 thousand).

Foreign currency exchange translation reserve on right-of-use assets during the three-month period ended 31 March 2024 amounted to AED (11,574) thousand (31 March 2023: AED (5,726) thousand).

7 Property, plant and equipment

During the three-month period ended 31 March 2024, property, plant and equipment additions amounted to AED 47,737 thousand (31 March 2023: AED 30,647 thousand).

Assets with a carrying amount of AED 219 thousand were disposed during the three-month period ended 31 March 2024 (31 March 2023: AED 935 thousand), resulting in a gain of AED 403 thousand (31 March 2023: gain of AED 186 thousand) which is included in other income, net.

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2024 (continued)****7 Property, plant and equipment (continued)**

Depreciation charge on property, plant and equipment during the three-month period ended 31 March 2024 amounted to AED 42,024 thousand (31 March 2023: AED 42,554 thousand).

Foreign currency exchange translation reserve on right-of-use assets during the three-month period ended 31 March 2024 amounted to AED (46,343) thousand (31 March 2023: AED (25,830) thousand).

8 Investment in associates and a joint venture

Investment in associates as at 31 March 2024 are as follows:

- 31% ownership interest in Kottouf & Hala Trading Co., a limited liability Company registered in the Kingdom of Saudi Arabia. The principal activity of the associate is trading in foodstuff and snacking products. The associate is accounted for using the equity method in these interim condensed consolidated financial statements.
- 25% ownership interest in Agthia Ventures Restricted Limited, a Restricted Scope Company registered in Abu Dhabi Global Market (ADGM), the associate is an investment fund for business start-ups with the aim of expanding the Group's innovation capacity and opening new markets. The associate is accounted for using the equity method in these interim condensed consolidated financial statements.

Investment in a joint venture represents 50% ownership interest in Timarat Limited, a private company limited by shares registered in Abu Dhabi Global Market (ADGM), the joint venture objectives are to provide consultancy, project management and studies related to agriculture sector. The joint venture is accounted for using the equity method in these interim condensed consolidated financial statements.

9 Goodwill

For the purpose of impairment testing goodwill is allocated to the Group's cash generating units where the Group's goodwill is monitored for internal management purposes. Impairment testing is conducted at least on an annual basis or when an indication that the asset has been impaired. During the three-month period ended 31 March 2024, there were no impairment indicators for the goodwill across all cash generating units.

10 Intangible assets

The amortisation charge on intangible assets during the three-month period ended 31 March 2024 amounted to AED 3,267 thousand (31 March 2023: AED 5,186 thousand).

11 Inventories

During the three-month period ended 31 March 2024, the Group recorded a net provision for slow, non-moving and obsolete inventory of AED 2,342 thousand (31 March 2023: AED 1,535 thousand). The charge is included in cost of sales.

Furthermore, the Group has written off previous provisions for slow, non-moving and obsolete inventory of AED 156 thousand (31 March 2023: AED 895 thousand).

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2024 (continued)**

12 Trade and other receivables

	31 March 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Trade receivables	950,885	870,916
Loss allowance	(139,612)	(136,199)
	<hr/>	<hr/>
	811,273	734,717
Other receivables	93,986	82,120
Prepayments	47,566	32,937
Advances	195,327	221,639
	<hr/>	<hr/>
	1,148,152	1,071,413
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The movement in the allowance for impairment losses in respect of trade receivables during the three-month period/year was as follows:

	31 March 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Opening balance	136,199	125,342
Charge for the year, net	4,168	12,245
Written off	(755)	(1,388)
	<hr/>	<hr/>
Closing balance	139,612	136,199
	<hr/> <hr/>	<hr/> <hr/>

13 Cash and bank balances

	31 March 2024 AED'000 (unaudited)	31 March 2023 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Cash on hand	6,718	8,938	3,005
Current and savings accounts	266,537	268,485	305,876
	<hr/>	<hr/>	<hr/>
Cash and bank balances	273,255	277,423	308,881
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**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2024 (continued)**

13 Cash and bank balances (continued)

	31 March 2024 AED'000 (unaudited)	31 March 2023 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Cash and bank balances	<u>273,255</u>	<u>277,423</u>	<u>308,881</u>
Restricted cash	-	(24,926)	-
Bank overdrafts	<u>(116,621)</u>	<u>(10,944)</u>	<u>(31,173)</u>
Cash and cash equivalents in the interim condensed consolidated statement of cash flows	<u>156,634</u>	<u>241,553</u>	<u>277,708</u>
Cash and bank balances	<u>273,255</u>	<u>277,423</u>	<u>308,881</u>
Fixed deposits	<u>209,350</u>	<u>396,632</u>	<u>321,077</u>
Cash and bank balances in the interim condensed consolidated statement of financial position	<u>482,605</u>	<u>674,055</u>	<u>629,958</u>

Fixed deposits are for a period not more than one year and not less than three months (2023: not more than one year and not less than three months). Interest is earned on these deposits at prevailing market rates, the carrying amounts of these assets approximate to their fair value.

Balances with banks are assessed to have low credit risk of default. Accordingly, management estimates the loss allowance on balances with banks at the end of the reporting period to an amount equal to 12-month ECL. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank, management anticipates that there is no impairment, and hence have not recorded any loss allowances on these balances.

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2024 (continued)**

14 Bank borrowings

Contractual terms of the Group's interest-bearing / profit-bearing loans and borrowings were:

	31 March 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Current liabilities:		
Credit facilities	93,270	275,110
Bank overdrafts	117,231	31,173
Term loans	12,336	14,213
	<u>222,837</u>	<u>320,496</u>
Non-current liabilities		
Term loans	<u>1,247,028</u>	<u>1,229,603</u>
Current liabilities:		
Within UAE	161,155	235,863
Outside UAE	61,682	84,633
	<u>222,837</u>	<u>320,496</u>
Non-current liabilities		
Within UAE	1,170,265	1,170,265
Outside UAE	76,763	59,338
	<u>1,247,028</u>	<u>1,229,603</u>

15 Deferred government grant

The Government of Abu Dhabi provides an annual budget for capital expenditure in accordance with an approved budget. The capital grants are recorded as deferred government grants in the interim condensed consolidated statement of financial position and classified as current and non-current liabilities.

16 Derivative financial instruments

During 2023, the Group entered into a floating to fixed interest rate swaps with corresponding banks to hedge the interest rate risk relating to a portion of the floating interest rates payable on its bank borrowings, with all critical terms matching. These derivatives contracts have been designated as cash flow hedge under IFRS 9.

Swaps currently in place cover approximately 66% of the variable term loan principal outstanding. The fixed interest rate payable on the swap is 2.80% - 3.75% (2023: 2.80% - 3.75%), and the variable rate on both the swap and the loans is 3M SOFR (2023: 3M SOFR).

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2024 (continued)**

17 Trade and other payables

	31 March 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Trade payables	840,026	889,811
Accrued expenses	479,870	443,028
Advances and deposits	30,871	172,678
Other payables	165,019	101,372
	<hr/>	<hr/>
	1,515,786	1,606,889
	<hr/> <hr/>	<hr/> <hr/>

18 Deferred taxation

The deferred tax liability as at 31 March 2024 of AED 42,641 thousand (31 December 2023: AED 42,641 thousand) relates to the initial recognition of a deferred tax liability in respect of Purchase Price Allocation (PPA) adjustments carried on the Group's consolidated statement of financial position and attributable to certain UAE-based Group entities.

19 Balances and transactions with related parties

The Group, in the ordinary course of business, entered into a variety of transactions at agreed terms and conditions, with companies, entities or individuals that fall within the definition of a related party as defined in IAS 24 Related Party Disclosures.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Related parties comprise major shareholders, key management personnel, Board of Directors and their related companies.

a) Key management personnel compensation

Key management personnel compensation for the period was as follows:

	Three-month period ended	
	31 March 2024 AED'000 (unaudited)	31 March 2023 AED'000 (unaudited)
Short term employment benefits	6,978	6,286
Long term employment benefits	1,945	1,225
	<hr/>	<hr/>
	8,923	7,511
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2024 (continued)**

19 Balances and transactions with related parties (continued)

b) Amounts due from related parties

	31 March 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
Dubai Cable Company (Private) Limited - affiliated company	19	35
Emirates Iron & Steel Company LLC – affiliated company	394	411
Abu Dhabi Development Holding Company (ADQ) – ultimate parent company	223	223
Kottouf & Hala Trading Co. – associate company	21,415	14,473
	<u>22,051</u>	<u>15,142</u>

c) Transactions with related parties

	31 March 2024 AED'000 (unaudited)	31 March 2023 AED'000 (unaudited)
Sales	20,724	29,216
Expenses recharged	-	437
Dividend received from an associate	-	1,817
	<u>20,724</u>	<u>31,470</u>

20 Basic and diluted earnings per share

	Three-month period ended	
	31 March 2024 (unaudited)	31 March 2023 (unaudited)
Profit for the period attributable to the owners of the Company (AED'000)	<u>115,865</u>	<u>86,833</u>
Weighted average number of ordinary shares in issue throughout the period ('000)	<u>791,577</u>	<u>791,577</u>
Basic and diluted earnings per share (AED)	<u>0.146</u>	<u>0.110</u>

Basic and diluted earnings per share are calculated by dividing the profit for the period attributed to the owners of the Company by the weighted average number of shares in issue throughout the period.

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2024 (continued)****21 Segmental analysis**

The Group has two reportable segments, as described below. Reportable segments offer different products and services and are managed separately because they require different technology and operational marketing strategies. For each of the strategic business units, the Group's executive management reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segment

Agri Business Division ("ABD")

- Flour and Animal Feed includes manufacturing and distribution of flour and animal feed.

Consumer Business Division ("CBD")

- Water and Food segment includes manufacturing, bottling, and distribution of drinking water, beverages, juices, dairy and trading products.
- Protein and Frozen Vegetables segment includes manufacturing, packaging, distribution and trading of tomato and chili paste, fruit concentrate, frozen vegetables and processed protein products.
- Snacks segment includes manufacturing, packaging, distribution of dates, sweets, baklava and bakery products.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit, as included in the internal management reports data reviewed by the Group's executive management. Segment profit is used to measure performance as 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.

Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2024 (continued)

21 Segmental analysis (continued)

	Agri Business Division (“ABD”)		Consumer Business Division (“CBD”)								Total	
	31 March 2024	31 March 2023	Water and Food		Protein and FV		Snacks		Total CBD		31 March 2024	31 March 2023
	AED’000 (unaudited)	AED’000 (unaudited)	AED’000 (unaudited)	AED’000 (unaudited)	AED’000 (unaudited)	AED’000 (unaudited)	AED’000 (unaudited)	AED’000 (unaudited)	AED’000 (unaudited)	AED’000 (unaudited)	AED’000 (unaudited)	AED’000 (unaudited)
Revenues	461,098	313,623	277,290	266,019	299,514	255,066	454,480	384,845	1,031,284	905,930	1,492,382	1,219,553
Intra-group	(12,465)	(15,788)	(16,607)	(14,104)	(6,583)	(2,335)	(7,378)	(4,969)	(30,568)	(21,408)	(43,033)	(37,196)
External revenues	448,633	297,835	260,683	251,915	292,931	252,731	447,102	379,876	1,000,716	884,522	1,449,349	1,182,357
Gross profit	85,158	64,413	106,999	98,297	66,334	61,936	162,076	115,520	335,409	275,753	420,567	340,166
Reportable segment profit	48,735	41,478	16,360	17,322	17,712	19,713	69,485	66,279	103,557	103,314	152,292	144,792
<i>Material non-cash item</i> Impairment loss on trade receivables, net	2,805	731	1,012	1,146	285	-	66	117	1,363	1,263	4,168	1,994

Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2024 (continued)

21 Segmental analysis (continued)

	<u>Agri Business Division (ABD)</u>		<u>Consumer Business Division (CBD)</u>		<u>Total Segments</u>	
	31 March 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)	31 March 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)	31 March 2024 AED'000 (unaudited)	31 December 2023 AED'000 (audited)
<i>Others:</i>						
Segment assets	570,496	624,172	2,990,770	3,061,168	3,561,266	3,685,340
Segment liabilities	430,076	519,967	1,333,640	1,362,709	1,763,716	1,882,676
	<u>Agri Business Division (ABD)</u>		<u>Consumer Business Division (CBD)</u>		<u>Total Segments</u>	
	31 March 2024 AED'000 (unaudited)	31 March 2023 AED'000 (unaudited)	31 March 2024 AED'000 (unaudited)	31 March 2023 AED'000 (unaudited)	31 March 2024 AED'000 (unaudited)	31 March 2023 AED'000 (unaudited)
Capital expenditure for the period ended	1,265	350	40,241	29,981	41,506	30,331

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2024 (continued)**

21 Segmental analysis (continued)

Reconciliations of reportable segments' profit or loss and gross profit are as follows:

Gross profit for the three-month period ended

	Three-month period ended	
	31 March	31 March
	2024	2023
	(unaudited)	(unaudited)
	AED'000	AED'000
Total gross profit for reportable segments	420,567	340,166
Unallocated gross loss	(3,960)	(2,689)
	<hr/>	<hr/>
Consolidated gross profit for the period	416,607	337,477
	<hr/> <hr/>	<hr/> <hr/>

Profit for the three-month period ended

	Three-month period ended	
	31 March	31 March
	2024	2023
	(unaudited)	(unaudited)
	AED'000	AED'000
Total profit for reportable segments	152,292	144,792
<u>Unallocated amounts</u>		
Other operating expenses	(1,530)	(25,144)
Net finance income	(23,165)	(22,956)
	<hr/>	<hr/>
Consolidated profit for the period	127,597	96,692
Non-controlling interests	(11,732)	(9,859)
	<hr/>	<hr/>
Consolidated profit for the period attributable to the Owners of the Company	115,865	86,833
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2024 (continued)**

21 Segmental analysis (continued)

Reconciliation of reportable segments' assets and liabilities are as follows:

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Segment Assets		
Agri Business Division	570,496	624,172
Consumer Business Division	2,979,459	3,061,168
	<hr/>	<hr/>
Total assets for reportable segments	3,549,955	3,685,340
Other unallocated amounts	2,860,228	2,954,972
	<hr/>	<hr/>
Total assets	6,410,183	6,640,312
	<hr/> <hr/>	<hr/> <hr/>
Segment Liabilities		
Agri Business Division	430,076	519,967
Consumer Business Division	1,322,329	1,362,709
	<hr/>	<hr/>
Total liabilities for reportable segments	1,752,405	1,882,676
Other unallocated amounts	1,508,582	1,564,089
	<hr/>	<hr/>
Total liabilities	3,260,987	3,446,765
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2024 (continued)**

22 Seasonality of results

The Group's dates business, included in the Food segment under the Consumer Business Division, is subject to seasonality coinciding with the harvesting and collection season and hence tend to peak during the period from September to April in UAE and other key geographic areas.

Other than the above, for the three-month period ended 31 March 2024, no significant income of a seasonal nature was recorded in the interim condensed consolidated statement of profit or loss for the three-month period ended 31 March 2024 and 2023.

23 Contingent liabilities and commitments

	31 March 2024 (unaudited) AED'000	31 December 2023 (audited) AED'000
Bank guarantees	25,765	30,276
Letters of credit	32,932	37,359
Capital commitments	49,329	64,951

The above guarantees and letters of credits were issued in the normal course of business. These include deferred payment credit, performance bonds, tender bonds, deferred payment bills, inward bill and margin deposit guarantees.

24 Fair value of financial instruments

The Group does not have any financial instruments, except for the interest rate swap, being measured at fair value at each period / year presented of its interim condensed consolidated statement of financial position.

During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

The Group's management considers that the fair values of its financial assets and financial liabilities that are not measured at fair value approximates to their carrying amounts as stated in the interim condensed consolidated statement of financial position.

25 Acquisition of non-controlling interests

On 29 February 2024, the Group acquired an additional 10% ownership interest in Abu Auf Holding Netherlands B.V., increasing its ownership interest from 60% to 70%. Cash consideration of AED 82,117 thousand was paid to the non-controlling shareholders. The carrying value of the net assets of Abu Auf Netherlands B.V. (excluding goodwill on the original acquisition) was AED 18,479 thousand.

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2024 (continued)**

25 Acquisition of non-controlling interests (continued)

Following is a schedule of additional interest acquired in Abu Auf Netherlands B.V.:

	29 February 2024 (unaudited) AED'000
Cash consideration paid to non-controlling shareholders	82,117
Carrying value of the additional interest in Abu Auf Netherlands B.V.	(18,479)
	<hr/>
Difference recognised in retained earnings	63,638
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26 Income tax and Zakat expenses

Corporate Income Tax

On 3 October 2022, the United Arab Emirates (UAE) Ministry of Finance (“MoF”) issued Federal Decree Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (“CT Law”) to implement a new CT regime in the UAE. The new CT regime is applicable for accounting periods beginning on or after 1 June 2023. Generally, UAE businesses will be subject to a 9% CT rate, however a rate of 0% could be applied to taxable income not exceeding a particular threshold or to certain types of entities, to be prescribed by way of a Cabinet Decision.

The Corporate Tax Law is effective for the period ended 31 March 2024 based on facts, circumstances and recent development in relation to the Cabinet of Minister’s Decision No. 116 of 2022.

For the period ended 31 March 2024, the Group has recorded a tax charge amounting to AED 19,943 thousand, (31 March 2023: AED 10,678 thousand), representing an Effective Tax Rate (“ETR”) of 13.52% (31 March 2023: 9.95%). The delta in the ETR year-on-year is due to the enactment of the Corporate Income Tax in the UAE. The ETR incorporates tax rates of the UAE as well as other international jurisdictions that the Group operates in. A Deferred Tax Asset for a non-material amount was not recognized as of 31 March 2024.

Top-up Tax:

On 2 October 2023, the United Arab Emirates (UAE) Ministry of finance (“MOF”) issued Federal Decree Law No 60 of 2023 amending certain provisions of the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (“CT Law”), to implement a new Top-up Tax on Multinational Enterprises (“MNE”) in the UAE.

Generally, Multinational Enterprises will be subject to a Top-up Tax at an effective rate of 15%. All cases, provisions, conditions, rules, controls, and procedures for imposing the Top-up Tax and the exemptions therefrom are yet to be determined by a Cabinet Decision.

Ministry of finance (“MOF”) launched a public consultation on the 14th of March 2024 in relation to the Global Anti-Base Erosion Model (“GloBe rules”) aiming at assessing interactions with the UAE's corporate tax system, ways to minimize compliance costs, while exploring the policy options for potential implementation of the Income Inclusion Rule (“IIR”), Undertaxed Profits Rule (“UTPR”) and a Domestic Minimum Top-up Tax (“DMTT”).

The Group has also a limited exposure to GloBe regulations in several foreign jurisdictions (i.e Netherlands and Spain). As of today, and even though the regulation is considered to be substantively enacted in those jurisdictions, several aspects of the rules and exemptions applicable under those regimes are still to be determined.

The Group is monitoring any upcoming regulation in relation to the GloBe rules in the different jurisdictions where it is present and is currently assessing the impact of these laws and regulations and will apply the requirements as further guidance is provided by the relevant tax authorities.

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2024 (continued)****27 Subsequent events**

On 3 April 2024, the Group acquired an additional 20% ownership interest in Baklawas Made Better Investments LLC and Mediterranean Confectionery Company Limited (together “BMB Group”), increasing its beneficial and economic ownership interest from 80% to 100%.

At the Annual General Meeting held on 23 April 2024, the shareholders’ approved interim cash dividends of AED 81,137 thousand and stock dividends of AED 39,579 thousand for the year ended 31 December 2023 which represents 15.25% of the issued share capital.