

BALADNA Q.P.S.C.
AL KHOR, QATAR

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED
30 SEPTEMBER 2021**

BALADNA Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2021

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BALADNA Q.P.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2021**

		For the three month period ended 30 September 2021 (Unaudited) QR	For the three month period ended 30 September 2020 (Unaudited) QR	For the nine month period ended 30 September 2021 (Unaudited) QR	For the period from Establishment Date to 30 September 2020 (Unaudited) QR
Revenue	3	182,032,870	182,269,815	562,668,000	624,206,389
Cost of revenue		(149,169,369)	(136,250,727)	(412,370,686)	(452,170,643)
Gross profit		32,863,501	46,019,088	150,297,314	172,035,746
Other income		31,155,451	36,831,742	95,321,136	134,406,098
Selling and distribution expenses		(20,857,342)	(22,911,663)	(58,790,850)	(72,207,277)
General and administrative expenses		(18,406,995)	(19,536,205)	(58,184,576)	(91,207,579)
Loss on investment in securities		(305,330)	–	(305,330)	–
Operating profit for the period		24,449,285	40,402,962	128,337,694	143,026,988
Finance costs and bank charges		(8,682,061)	(11,317,334)	(26,113,272)	(30,050,803)
Profit before income tax		15,767,224	29,085,628	102,224,422	112,976,185
Income tax expense		(250,411)	(115,464)	(328,075)	(115,464)
Profit after tax for the period		15,516,813	28,970,164	101,896,347	112,860,721
Other comprehensive income		–	–	–	–
Total comprehensive income for the period		15,516,813	28,970,164	101,896,347	112,860,721
Basic and diluted earnings per share <i>(Expressed in QR per share)</i>	8	0.008	0.015	0.054	0.061

The attached notes from 1 to 11 are an integral part of these interim condensed consolidated financial statements.

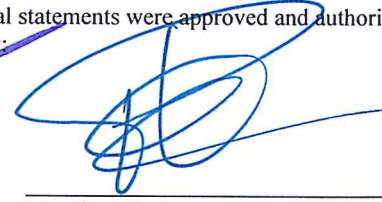
BALADNA Q.P.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021**


	<i>Note</i>	30 September 2021 (Unaudited) QR	31 December 2020 (Audited) QR
ASSETS			
Non-current assets			
Property, plant and equipment		2,793,551,256	2,721,930,160
Right-of-use assets		43,195,490	53,178,382
Intangible assets		4,964,043	3,961,369
Investment securities		46,032,058	–
Biological assets		194,695,081	185,892,542
Total non-current assets		3,082,437,928	2,964,962,453
Current assets			
Biological assets		657,100	731,201
Inventories		301,544,775	300,745,432
Due from related parties		14,714,843	14,589,063
Trade and other receivables		271,965,332	329,268,737
Cash and bank balances	4	33,345,429	12,374,473
Total current assets		622,227,479	657,708,906
TOTAL ASSETS		3,704,665,407	3,622,671,359
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	5	1,901,000,000	1,901,000,000
Legal reserve		15,712,903	15,712,903
Acquisition reserve		201,123,011	201,123,011
Retained earnings		124,602,166	123,458,819
Total shareholders' equity		2,242,438,080	2,241,294,733
LIABILITIES			
Non-current liabilities			
Lease liabilities		31,715,702	41,691,683
Islamic financing	6	1,019,327,524	995,327,524
Employees' end of service benefits		9,709,607	7,652,625
Total non-current liabilities		1,060,752,833	1,044,671,832
Current liabilities			
Lease liabilities		16,356,345	12,912,104
Due to related parties		5,306,411	4,766,282
Trade and other payables		184,313,727	185,328,762
Current portion of Islamic financing	6	52,000,000	26,000,000
Short term borrowings	7	62,763,476	56,387,267
Bank overdrafts	4	80,734,535	51,310,379
Total current liabilities		401,474,494	336,704,794
TOTAL LIABILITIES		1,462,227,327	1,381,376,626
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		3,704,665,407	3,622,671,359

The attached notes from 1 to 11 are an integral part of these interim condensed consolidated financial statements.

These interim condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on 28 October 2021 and signed on their behalf by:


Mr. Ramez Mhd Rustan Al Khayat
Managing Director


Mr. Piet Hilarides
Chief Executive Officer


Mr. Saifullah Khan
Chief Financial Officer

BALADNA Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2021

For the nine month period ended 30 September 2021	Share capital QR	Legal reserve QR	Founders' current account QR	Acquisition reserve QR	Retained earnings QR	Total QR
As at 1 January 2021 (Audited)	1,901,000,000	15,712,903	-	201,123,011	123,458,819	2,241,294,733
Profit for the period	-	-	-	-	101,896,347	101,896,347
Final dividend declared	-	-	-	-	(100,753,000)	(100,753,000)
As at 30 September 2021 (Unaudited)	1,901,000,000	15,712,903	-	201,123,011	124,602,166	2,242,438,080
For the period from establishment date to 30 September 2020						
As at Establishment Date (Unaudited)	-	500,000	675,373,011	-	39,578,354	715,451,365
IPO and listing expenses	-	-	-	-	(9,232,428)	(9,232,428)
Capital contribution	1,901,000,000	-	-	-	-	1,901,000,000
Profit for the period	-	-	-	-	112,860,721	112,860,721
Interim dividend declared	-	-	-	-	(40,000,000)	(40,000,000)
Net movement in Founders' current account	-	-	(675,373,011)	-	-	(675,373,011)
Net movement in acquisition reserve	-	-	-	201,123,011	-	201,123,011
As at 30 September 2020 (Unaudited)	1,901,000,000	500,000	-	201,123,011	103,206,647	2,205,829,658

The attached notes from 1 to 11 are an integral part of these interim condensed consolidated financial statements.

BALADNA Q.P.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2021**

	For the nine month period ended 30 September 2021 (Unaudited) QR	For the period from Establishment Date to 30 September 2020 (Unaudited) QR
OPERATING ACTIVITIES		
Profit before tax for the period	102,224,422	112,976,185
Adjustments for:		
Depreciation of property, plant and equipment	81,356,119	86,647,468
Depreciation of right-of-use assets	9,982,892	17,889,645
Amortization of intangible asset	1,270,195	1,028,473
Provision for employees' end of service benefits	2,847,903	2,649,279
Impairment/(reversal) loss allowance on trade receivables	89,935	(137,987)
(Gain)/loss on disposal of property, plant and equipment	(25,734)	123,034
Loss on investment in securities	305,330	-
Gain arising from change in fair value of biological assets	(36,060,799)	(24,181,045)
Cost of slaughtered animals disposed and transfer	8,349,832	7,244,156
Loss from death of livestock	6,643,636	6,022,866
Interest on lease liabilities	1,587,763	3,625,846
Finance cost	24,525,509	27,052,015
Operating cash flow before movement in working capital	203,097,003	240,939,935
Changes in:		
Inventories	(799,343)	(86,415,709)
Due from related parties	(121,780)	1,546,464
Trade and other receivables	57,234,649	79,753,471
Due to related parties	540,129	1,695,608
Trade and other payables	(13,475,588)	23,765,010
Cash generated from operating activities	246,475,070	261,284,779
Employees' end of service benefit paid	(790,921)	(1,030,819)
Finance costs paid	(21,694,623)	(35,358,683)
Interest on lease liabilities paid	(1,587,763)	(3,625,846)
Income tax paid	(380,431)	(35,464)
Net cash generated from operating activities	222,021,332	221,233,967
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(154,695,084)	(136,977,546)
Proceeds from disposal of property, plant and equipment	41,897	20,381
Purchase of intangible assets	(699,442)	(599,945)
Purchase of investment securities	(46,337,388)	-
Net movement in biological assets	12,338,893	(7,719,337)
Net cash used in investing activities	(189,351,124)	(145,276,447)
FINANCING ACTIVITIES		
Net proceeds from Initial Public Offering (IPO)	-	1,425,750,000
Net movement in borrowings	56,376,209	(1,420,540,157)
Principal elements of lease payments	(6,531,740)	(17,939,045)
Dividend paid	(90,967,877)	(30,399,192)
Net movement in restricted cash	-	5,792,211
Net cash used in financing activities	(41,123,408)	(37,336,183)
Net (decrease) / increase in cash and cash equivalents	(8,453,200)	38,621,337
Cash and cash equivalents at the beginning of the period	(38,935,906)	(74,500,551)
Cash and cash equivalents at the end of the period	(47,389,106)	(35,879,214)

The attached notes from I to 11 are an integral part of these interim condensed consolidated financial statements.



BALADNA Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2021

1. Corporate information

Baladna Q.P.S.C. (the "Company") was established in the State of Qatar under commercial registration number 140310, as Qatari Public Shareholding Company. The Company finalized legal documentation for the process of establishment and issuance of the Commercial registration on 2 December 2019 (the "Establishment Date"), pursuant to the provisions of Qatar Commercial Companies Law. The Company's registered office is at P.O Box 3382, Um Alhawayya Farm, State of Qatar.

These interim condensed consolidated financial statements comprise of the financial statements of the Company and its subsidiaries (collectively, the "Group"), as follows:

Subsidiary Name	Country of incorporation	Type of interest	Percentage of effective control
Baladna Food Industries W.L.L. (Note i)	Qatar	Subsidiary	100%
Baladna Food Trading W.L.L. (Note ii)	Qatar	Subsidiary	100%
Baladna Business and Trading LLC (Note iii)	Oman	Subsidiary	100%
Awafi W.L.L. (Note iv)	Qatar	Subsidiary	100%
Baladna For Trading and Investment W.L.L. (Note v)	Qatar	Subsidiary	100%

Notes:

- (i) Baladna Food Industries W.L.L. is a limited liability company established under Commercial Registration No. 64756 and is owned 100% by the Company. The principal activity is production and sales of milk, juice, slaughter of animal and sale of meats.
- (ii) Baladna Food Trading W.L.L. is a limited liability company established under Commercial Registration No. 133592 and is owned 100% by Baladna Food Industries W.L.L. The principal activity is trading in the food materials.
- (iii) Baladna Business and Trading LLC is a limited liability company established under Commercial Registration No.1343623 and is owned 99% by Baladna Food Industries W.L.L. and 1% by Baladna Food Trading W.L.L. The principal activities are as follows:
- Retail sale in specialized stores of dairy products, eggs, olive and pickles;
 - Activities of export and import offices; and
 - Wholesale of soft drinks, juices and mineral water.
- (iv) Awafi W.L.L. is a limited liability company established under Commercial Registration No. 141419 and is owned 100% by Baladna Q.P.S.C. The principal activity is trading in the food materials, packaging and dairy products.
- (v) Baladna For Trading and Investment W.L.L. is a limited liability company established under Commercial Registration No 157435 and is owned 100% by Baladna Q.P.S.C. The principal activity is trading in feed, investment and management of agriculture projects and investments outside country.

The principal activities of the Group are agricultural activities of production and sales of milk, juice, slaughter of animal and sale of meats.

2. Statement of compliance and basis of measurement

Statement of compliance

These interim condensed consolidated financial statements of the Group are prepared in accordance with International Accounting Standard (IAS 34) "Interim Financial Reporting" and in conformity with the applicable provisions of Qatar Commercial Companies Law.

These interim condensed consolidated financial statements do not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). In addition, results for the period ended 30 September 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

The interim condensed consolidated financial statements have been prepared in Qatari Riyals (QR), which is the Group's functional and presentation currency and all financial information has been rounded off to the nearest QR, unless otherwise indicated.

The preparation of these interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty are in accordance with IFRS.

The accounting policies used in the preparation of these interim condensed consolidated financial statements are in accordance with IFRS, and are consistent with those used in preparation of Group's annual consolidated financial statements for the year ended 31 December 2020, taking into consideration certain new and revised standards and interpretations, that became effective in the current period, which have introduced certain changes. Some of these changes are changes in terminology only, and some are substantive but have had no material effect on the reported results or financial position of the Group.

All material intra-group balances, transactions, income and expenses and profits and losses resulting from intragroup transactions are eliminated on consolidation.

Basis of measurement

The interim condensed consolidated financial statements have been prepared on the historical cost basis except for biological assets which have been measured at fair value.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2021

3. Revenue

The following sets out the disaggregation of the Group's revenue from contracts with customers:

a) Type of goods or services

	For the three month period ended 30 September 2021 (Unaudited) QR	For the three month Period ended 30 September 2020 (Unaudited) QR	For the nine month period ended 30 September 2021 (Unaudited) QR	For the period from Establishment Date to 30 September 2020 (Unaudited) QR
Dairy sales	159,855,900	163,347,515	501,395,549	564,550,202
Juice sales	15,323,209	13,270,080	37,467,841	38,122,813
Livestock sales	4,780,065	3,815,044	15,580,622	11,935,557
Compost and manure sales	1,440,483	1,701,645	4,633,598	6,871,073
Plastic sales	490,782	53,203	1,275,743	2,052,650
Feed sales	142,431	82,328	2,314,647	674,094
	182,032,870	182,269,815	562,668,000	624,206,389

b) Timing of satisfaction of performance obligation

	30 September 2021 (Unaudited) QR	31 December 2020 (Audited) QR
Goods transferred at point in time	182,032,870	182,269,815
	182,032,870	182,269,815

4. Cash and cash equivalents

	30 September 2021 (Unaudited) QR	31 December 2020 (Audited) QR
Cash on hand	380,902	222,972
Bank balances	32,964,527	12,151,501
Cash and bank balances	33,345,429	12,374,473
Bank overdraft	(80,734,535)	(51,310,379)
Cash and cash equivalents	(47,389,106)	(38,935,906)

5. Share capital

	30 September 2021 (Unaudited) QR	31 December 2020 (Audited) QR
Authorised, issued and paid-up ordinary and special shares QR 1 per each share	1,901,000,000	1,901,000,000

The Group's authorized, issued and paid-up share capital amounting to QR 1,901,000,000 is divided into 1,900,999,999 ordinary shares and one special share, the nominal value is QR 1 of each share.

6. Islamic financing

	30 September 2021 (Unaudited) QR	31 December 2020 (Audited) QR
Islamic financing 1 (Note i)	1,021,327,524	1,021,327,524
Islamic financing 2 (Note ii)	50,000,000	–
	1,071,327,524	1,021,327,524
Current portion	52,000,000	26,000,000
Non-current portion	1,019,327,524	995,327,524
	1,071,327,524	1,021,327,524

Notes:

- (i) This represents Murabaha facility obtained by the Company's subsidiary (Baladna Food Industries W.L.L.) from a local bank to finance the construction of cows' farm and working capital requirements. The facility carries profit rate of 3% per annum (2020: 3.5% per annum).
- (ii) This represents financing facility obtained by the Group from a local bank to support expansion and business development. The facility carries management fee of 3% per annum (2020: Nil).

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2021

7. Short term borrowings

	30 September 2021 (Unaudited) QR	31 December 2020 (Audited) QR
Borrowings	62,763,476	56,387,267

This represents document credit facility obtained from a local bank in order to finance the working capital requirements. The facility carries interest rate of 3% per annum (2020: 3.5% per annum).

8. Basic and diluted earnings per share

	For the three month period ended 30 September 2021 (Unaudited)	For the three month period ended 30 September 2020 (Unaudited)	For the nine month period ended 30 September 2021 (Unaudited)	For the period from Establishment Date to 30 September 2020 (Unaudited)
Profit for the period (QR)	15,516,813	28,970,164	101,896,347	112,860,721
Weighted average number of shares outstanding during the period	1,901,000,000	1,901,000,000	1,901,000,000	1,844,720,395
Basic and diluted earnings per share (QR)	0.008	0.015	0.054	0.061

9. Segment reporting

- The Group has single significant business operation which is an agricultural activity of production and sales of dairy product in addition to other related products and activities. All other business segments are not significant.
- Geographically, the Group has extended its operations in State of Qatar and Sultanate of Oman. The business operations in Sultanate of Oman are not considered to be significant.

10. Contingent liabilities

The Group has contingent liabilities in respect of banks' letters of credit and other guarantees arising in the ordinary course of business from which it is anticipated that no material liabilities will arise as follows:

	30 September 2021 (Unaudited) QR	31 December 2020 (Audited) QR
Guarantees and letters of credit	51,689,022	67,746,225

11. Effect of COVID 19

The pandemic of coronavirus ("COVID-19") has spread across the world rapidly. Therefore, it is challenging now, to predict the full extent and duration of its business and economic impact. The pandemic spread is causing disruption and uncertainties to the economic, operations and business activities. The fiscal and monetary authorities, both domestic and international, have announced various support measures across the globe to counter possible adverse implications.

The spread of COVID 19 pandemic may impact the operations of the Group for short-term. The possible short-term impact will not change in management's going concern assessment or business strategy.

Moreover, the operations of the Group are partially concentrated in economies that are relatively dependent on the price of crude oil. The uncertainties caused by COVID-19 and the volatility in crude oil prices required the management of the Group to update its assumptions used for the determination of expected credit losses as at 30 September 2021. Certain changes have been incorporated in the calculation of expected credit losses to reflect the observable current macro-economic factors and future information.

Management believes that the impacts of the above on the expected credit losses of its financial assets are minimal and limited, as those financial assets are related to highly rated banks and operated in the state of Qatar. Management expects the demand for its products will not be impacted and it will be higher in the future periods. In addition to that, and based on the management's assessment, the carrying value of non-financial assets will not be impacted significantly.

The market remains volatile, and the recorded balances are sensitive to the market fluctuations. Management of the Group will continuously and closely monitor the economy and the ongoing situation for any downside risks. The Management has considered the potential impacts of the current economic volatility in determining the reported amounts of the Group's financial and non-financial assets as at 30 September 2021, and assessed the impacts are very limited with positive indications.