

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED
30 SEPTEMBER 2023**

BALADNA Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

CONTENTS	Page(s)
Interim condensed consolidated financial statements	
Interim condensed consolidated statement of profit or loss and other comprehensive income	1
Interim condensed consolidated statement of financial position	2
Interim condensed consolidated statement of changes in shareholders' equity	3
Interim condensed consolidated statement of cash flows	4
Notes to the interim condensed consolidated financial statements	5 -9

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 2023**

	<i>Note</i>	<u>For the three month period ended</u>		<u>For the Nine month period ended</u>	
		30 September 2023 (Unaudited) QR	30 September 2022 (Unaudited) QR	30 September 2023 (Unaudited) QR	30 September 2022 (Unaudited) QR
Revenue	4	255,949,578	224,675,417	772,639,423	708,639,737
Cost of revenue		(204,387,327)	(186,553,388)	(610,734,620)	(570,994,808)
Gross profit		51,562,251	38,122,029	161,904,803	137,644,929
Other income		28,901,190	28,953,144	87,820,606	87,529,090
Gain/(losses) on investment at FVTPL		169,592	(2,025,185)	2,339,983	(12,559,745)
Dividend income		-	-	2,284,393	11,454,216
Selling and distribution expenses		(20,921,234)	(20,640,759)	(59,896,505)	(66,291,265)
General and administrative expenses		(23,517,099)	(20,769,236)	(71,720,207)	(63,515,207)
Operating profit for the period		36,194,700	23,639,993	122,733,073	94,262,018
Finance costs and bank charges		(13,787,089)	(15,518,500)	(57,979,030)	(37,866,223)
Profit before income tax		22,407,611	8,121,493	64,754,043	56,395,795
Income tax expense		(176,000)	(102,763)	(403,408)	(780,639)
Profit after tax for the period		22,231,611	8,018,730	64,350,635	55,615,156
Net profit attributable to:					
Equity holders of the parent		22,258,163	8,018,730	64,555,923	55,615,156
Non-controlling interest		(26,552)	-	(205,288)	-
		22,231,611	8,018,730	64,350,635	55,615,156
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		22,231,611	8,018,730	64,350,635	55,615,156
Total comprehensive income attributable to:					
Equity holders of the parent		22,258,163	8,018,730	64,555,923	55,615,156
Non-controlling interest		(26,552)	-	(205,288)	-
		22,231,611	8,018,730	64,350,635	55,615,156
Basic and diluted earnings per share <i>(Expressed in QR per share)</i>	10	0.012	0.004	0.034	0.029

The attached notes from 1 to 12 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 2023**


	<i>Note</i>	30 September 2023 (Unaudited) QR	31 December 2022 (Audited) QR
ASSETS			
Non-current assets			
Property, plant and equipment		3,198,754,461	3,128,084,820
Right-of-use assets		11,443,563	21,056,526
Intangible assets		7,244,558	6,411,217
Goodwill		6,792,635	-
Financial investments held at FVTPL	5	232,194,243	218,124,952
Biological assets		205,470,214	219,941,340
Total non-current assets		3,661,899,674	3,593,618,855
Current assets			
Inventories		382,977,204	442,974,185
Trade and other debit balances		368,958,511	307,970,755
Biological assets		2,026,700	813,800
Due from related parties		37,306,768	30,709,498
Cash and bank balances	6	55,286,610	62,367,530
Total current assets		846,555,793	844,835,768
TOTAL ASSETS		4,508,455,467	4,438,454,623
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	7	1,901,000,000	1,901,000,000
Legal reserve		37,157,664	37,157,664
Acquisition reserve		201,123,011	201,123,011
Retained earnings		174,150,400	109,594,477
Equity attributable to owners of the parent		2,313,431,075	2,248,875,152
Non-controlling interests		2,395,209	-
TOTAL EQUITY		2,315,826,284	2,248,875,152
LIABILITIES			
Non-current liabilities			
Islamic financing	8	1,624,101,815	1,634,196,123
Employees' end of service benefits		15,185,581	13,589,562
Lease liabilities		9,364,652	8,805,361
Total non-current liabilities		1,648,652,048	1,656,591,046
Current liabilities			
Current portion of Islamic financing	8	138,029,808	86,125,000
Short term financing	9	62,533,791	88,206,914
Trade and other credit balances		270,704,416	239,693,454
Bank overdrafts		65,505,567	99,492,839
Lease liabilities		4,335,075	15,186,935
Due to related parties		2,868,478	4,283,283
Total current liabilities		543,977,135	532,988,425
TOTAL LIABILITIES		2,192,629,183	2,189,579,471
TOTAL EQUITY AND LIABILITIES		4,508,455,467	4,438,454,623

The attached notes from 1 to 12 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 29 October 2023 and signed on their behalf by:


Mr. Ramez Mhd Ruslan Al Khayat
Managing Director


Mr. Malcolm Jordan
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 2023**

For the nine month period ended 30 September 2023	Share capital QR	Legal reserve QR	Acquisition reserve QR	Retained earnings QR	Total QR	Non- controlling interest QR	Total equity QR
As at 1 January 2023 (Audited)	1,901,000,000	37,157,664	201,123,011	109,594,477	2,248,875,152	-	2,248,875,152
Profit for the period	-	-	-	64,555,923	64,555,923	(205,288)	64,350,635
Acquisition of subsidiary	-	-	-	-	-	2,349,122	2,349,122
Net movement in non-controlling interest	-	-	-	-	-	251,375	251,375
As at 30 September 2023 (Unaudited)	1,901,000,000	37,157,664	201,123,011	174,150,400	2,313,431,075	2,395,209	2,315,826,284
For the nine month period ended 30 September 2022							
As at 1 January 2022 (Audited)	1,901,000,000	29,096,491	201,123,011	139,812,217	2,271,031,719	-	2,271,031,719
Profit for the period	-	-	-	55,615,156	55,615,156	-	55,615,156
Final dividend declared	-	-	-	(100,753,000)	(100,753,000)	-	(100,753,000)
As at 30 September 2022 (Unaudited)	1,901,000,000	29,096,491	201,123,011	94,674,373	2,225,893,875	-	2,225,893,875

The attached notes from 1 to 12 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 2023**

	For the nine month period ended 30 September 2023 (Unaudited) QR	For the nine month period ended 30 September 2022 (Unaudited) QR
OPERATING ACTIVITIES		
Profit before tax for the period	64,754,043	56,395,795
Adjustments for:		
Depreciation of property, plant and equipment	96,042,171	90,940,376
Depreciation of right-of-use assets	9,612,963	9,697,118
Amortization of intangible asset	1,963,174	1,506,709
Provision for employees' end of service benefits	3,154,690	2,960,864
Impairment loss allowance on trade receivables	-	145,138
(Gain)/loss on disposal of property, plant and equipment	(1,004)	4,164
(Gain)/loss on investment of FVTPL	(2,339,983)	12,559,745
Dividend income	(2,284,393)	(11,454,216)
Gain arising from change in fair value of biological assets	(43,710,740)	(48,534,202)
Cost of slaughtered animals disposed and transfer	2,364,413	10,863,184
Loss from death of livestock	12,449,225	6,447,015
Finance cost on lease liabilities	524,789	970,642
Finance cost	57,454,241	36,895,581
Operating cash flow before movement in working capital	199,983,589	169,397,913
Changes in:		
Inventories	63,143,508	(164,840,297)
Due from related parties	(4,367,347)	(14,852,846)
Trade and other debit balances	(31,441,110)	(29,361,851)
Due to related parties	(2,279,805)	(11,008,022)
Trade and other credit balances	26,969,593	64,654,228
Cash generated from operating activities	252,008,428	13,989,125
Employees' end of service benefit paid	(1,665,718)	(781,983)
Finance costs paid	(80,441,892)	(42,417,004)
Interest on lease liabilities paid	(524,789)	(970,642)
Income tax paid	(580,338)	(883,122)
Net cash generated/(used in) from operating activities	168,795,691	(31,063,626)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(144,422,960)	(241,085,030)
Proceeds from disposal of property, plant and equipment	1,500	151,345
Purchase of intangible assets	(964,112)	(5,193)
Investment in a subsidiary	(6,845,721)	-
Proceeds from disposal of investment securities	45,890,827	-
Acquisition of financial asset at FVTPL	(57,620,135)	(77,316,226)
Dividend received	2,284,393	5,144,274
Net movement in biological assets	15,155,328	14,132,037
Net cash used in investing activities	(146,520,880)	(298,978,793)
FINANCING ACTIVITIES		
Net movement in financing	16,137,377	409,318,260
Principal elements of lease payments	(10,292,569)	(6,785,537)
Change in non-controlling interest	251,375	-
Dividend paid	(1,464,642)	(93,411,118)
Net movement in restricted cash	13,803,690	11,096,374
Net cash generated from financing activities	18,435,231	320,217,979
Net increase/(decrease) in cash and cash equivalents	40,710,042	(9,824,440)
Cash and cash equivalents at the beginning of the period	(56,626,340)	(52,624,771)
Cash and cash equivalents at the end of the period	(15,916,298)	(62,449,211)

The attached notes from 1 to 12 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 2023

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%
Agrocare Development S.R.L (Note vi)	Romania	Subsidiary	100%
E-Life Detergent Factory W.L.L. (Note vii)	Qatar	Subsidiary	75%

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 feed, investment and management of agricultural projects and investment outside Qatar.
- (vi) Agrocare Development S.R.L. is a limited liability company established under Commercial Registration No. 593753 and is owned 100% by Baladna for Trading and Investment W.L.L. The principal activity of the company is growing of cereals (except rice), leguminous Crops and Oil Seeds.
- (vii) E-Life Detergent Factory W.L.L. is a limited liability Company established under Commercial Registration no 106993 and is owned 75% by Baladna Food Industries W.L.L. The principal activity is trading in medical cosmetics and production of liquid and powder detergents

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

BALADNA Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

2. Statement of compliance and basis of measurement

Statement of compliance

These interim condensed financial statements of the company 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 financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). In addition, results for the period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

The interim condensed financial statements have been prepared in Qatari Riyals (QR), which is the Company'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 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 Company'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 financial statements are in accordance with IFRS, and are consistent with those used in preparation of Company's annual financial statements for the year ended 31 December 2022, 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 financial investment held at fair value through profit or loss and biological assets which have been measured at fair value.

3. Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2022 and the notes attached thereto, except for the adoption of certain new and revised standards that became effective in current period as set out below:

New standards and amendments effective in the period beginning 1 January 2023

The following standards and amendments have become effective for the annual periods commencing on or after 1 January 2023. The entity did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

- ❖ *Amendments to IAS 1 and Practice Statement 2 – Disclosures of Accounting Policies*
- ❖ *Amendments to IAS 8 Definition of Accounting Estimates*
- ❖ *Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single transaction*

Amendments to IAS 1 and Practice Statement 2 – Disclosures of Accounting Policies

This amendment changes the references to accounting policies such that disclosures should be of material accounting policies rather than significant accounting policies. This standard only impacts the disclosures of accounting policies and does not impact the disclosures in this Interim financial report.

Amendments to IAS 8 Definition of Accounting Estimates

This amendment clarifies that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty and also clarifies how entities should distinguish between changes in accounting policies and changes in accounting estimates. This amendment is not expected to have a material impact on the entity's financial statements.

BALADNA Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

3. Significant accounting policies (cont'd)

New standards and amendments effective in the period beginning 1 January 2023 (cont'd)

Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

This amendment to IAS 12 *Income Taxes* clarifies that where an organisation recognises both an asset and a liability that gives rise to equal taxable and temporary differences as part of a single transaction, the related deferred tax assets and deferred tax liabilities must both be recognised gross. These amendments have been applied retrospectively, however there is no implication on the presentation in these interim financial statements, as the deferred tax assets and liabilities continue to be offset on the face of the condensed statement of financial position which continues to be permitted under IAS 12.

4. 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		For the nine month period ended	
	30 September 2023 (Unaudited) QR	30 September 2022 (Unaudited) QR	30 September 2023 (Unaudited) QR	30 September 2022 (Unaudited) QR
Dairy sales	231,076,746	199,350,290	695,863,242	634,588,289
Juice sales	18,660,757	17,414,290	52,493,681	47,223,155
Livestock sales	1,693,227	5,386,732	12,411,646	19,482,675
Plastic sales	665,128	797,480	2,397,809	2,247,877
Feed sales	4,080	598,969	1,278,335	2,186,100
Compost and manure sales	731,645	1,127,656	1,428,661	2,907,941
Others	—	—	11,025	3,700
	252,831,583	224,675,417	765,884,399	708,639,737
Detergent sales	3,117,995	—	6,755,024	—
	255,949,578	224,675,417	772,639,423	708,639,737

b) Timing of satisfaction of performance obligation

Goods transferred at point in time	255,949,578	224,675,417	772,639,423	708,639,737
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5. Financial investments held at fair value through profit or loss

	30 September 2023		31 December 2022	
	Quoted (Unaudited) QR	Unquoted QR	Quoted (Audited) QR	Unquoted QR
Equity investments	232,194,243	—	218,124,952	—
	232,194,243	—	218,124,952	—

As at 30 September 2023, equity investments represent equity shares quoted in Qatar Stock Exchange and Egyptian Exchange.

6. Cash and cash equivalents

	30 September 2023 (Unaudited) QR	31 December 2022 (Audited) QR
Cash in hand	662,333	591,782
Bank balances	54,624,277	61,775,748
Cash and bank balances	55,286,610	62,367,530
Restricted bank balances	(5,697,341)	(19,501,031)
	49,589,269	42,866,499
Bank overdraft	(65,505,567)	(99,492,839)
Cash and cash equivalents	(15,916,298)	(56,626,340)

BALADNA Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

7. Share capital

	30 September 2023 (Unaudited) QR	31 December 2022 (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.

8. Islamic financing

	30 September 2023 (Unaudited) QR	31 December 2022 (Audited) QR
Islamic financing 1 (Note i)	964,827,523	1,008,327,523
Islamic financing 2 (Note ii)	715,000,000	630,000,000
Islamic financing 3 (Note iii)	82,304,100	81,993,600
	1,762,131,623	1,720,321,123
Current portion	138,029,808	86,125,000
Non-current portion	1,624,101,815	1,634,196,123
	1,762,131,623	1,720,321,123

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.

(ii) This represents financing facility obtained by the Company's Subsidiary (Baladna Food Industries W.L.L.) from a local bank to support expansion and business development.

(iii) This represents financing facility obtained by the Company's Subsidiary (Baladna Food Industries W.L.L.) from a local bank to support expansion and business development.

9. Short term financing

	30 September 2023 (Unaudited) QR	31 December 2022 (Audited) QR
Short term financing	62,533,791	88,206,914

This represents document credit facility obtained from a local bank in order to finance the working capital requirements.

10. Basic and diluted earnings per share

	For the three month period ended		For the nine month period ended	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Net profit attributable to equity holders of the parent (QR)	22,258,163	8,018,730	64,555,923	55,615,156
Weighted average number of shares outstanding during the period	1,901,000,000	1,901,000,000	1,901,000,000	1,901,000,000
Basic and diluted earnings per share (QR)	0.012	0.004	0.034	0.029

BALADNA Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

11. 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.

12. 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 are as follows:

	30 September 2023 (Unaudited) QR	31 December 2022 (Audited) QR
Guarantees and letters of credit	73,892,741	54,799,196