

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED
30 SEPTEMBER 2024**

BALADNA Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024

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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 2024**

	<i>Note</i>	<u>For the three month period ended</u>		<u>For the nine month period ended</u>	
		<u>30 September</u> 2024 (Unaudited) QR	<u>30 September</u> 2023 (Unaudited) QR	<u>30 September</u> 2024 (Unaudited) QR	<u>30 September</u> 2023 (Unaudited) QR
Revenue	4	264,366,812	255,949,578	859,028,555	772,639,423
Cost of revenue		(205,070,416)	(208,864,573)	(657,282,623)	(623,509,002)
Gross profit		59,296,396	47,085,005	201,745,932	149,130,421
Other income		27,689,543	28,901,190	83,539,540	87,820,606
Gain on investment at FVTPL		8,641,517	169,592	18,403,131	2,339,983
Dividend income		–	–	2,224,890	2,284,393
General and administrative expenses		(17,166,489)	(18,228,496)	(50,023,818)	(56,268,715)
Selling and distribution expenses		(22,359,946)	(21,732,591)	(70,869,562)	(62,573,615)
Operating profit for the period		56,101,021	36,194,700	185,020,113	122,733,073
Finance costs and bank charges		(15,203,646)	(13,787,089)	(43,060,514)	(57,979,030)
Profit before income tax		40,897,375	22,407,611	141,959,599	64,754,043
Income tax expense		(219,927)	(176,000)	(618,521)	(403,408)
Profit after tax for the period		40,677,448	22,231,611	141,341,078	64,350,635
Other comprehensive income		–	–	–	–
Total comprehensive income for the period		40,677,448	22,231,611	141,341,078	64,350,635
Net profit attributable to:					
Equity holders of the parent		40,593,541	22,258,163	141,014,270	64,555,923
Non-controlling interest		83,907	(26,552)	326,808	(205,288)
		40,677,448	22,231,611	141,341,078	64,350,635
Other comprehensive income attributable to:					
Equity holders of the parent		–	–	–	–
Non-controlling interest		–	–	–	–
		–	–	–	–
Basic and diluted earnings per share	10	0.021	0.012	0.074	0.034
<i>(Expressed in QR per share)</i>					

The attached notes from 1 to 13 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 2024**

	<i>Note</i>	30 September 2024 (Unaudited) QR	31 December 2023 (Audited) QR
ASSETS			
Non-current assets			
Property, plant and equipment		3,175,194,382	3,188,839,696
Right-of-use assets		113,144,423	121,517,109
Intangible assets		8,530,479	7,491,787
Goodwill		6,792,635	6,792,635
Financial investments held at FVTPL	5	465,867,079	371,841,124
Biological assets		177,583,845	196,432,194
Total non-current assets		3,947,112,843	3,892,914,545
Current assets			
Inventories		421,097,496	400,329,395
Trade and other debit balances		393,405,019	408,503,392
Biological assets		646,300	2,278,900
Due from related parties		70,863,707	79,788,891
Cash and bank balances	6	34,850,133	59,711,283
Total current assets		920,862,655	950,611,861
TOTAL ASSETS		4,867,975,498	4,843,526,406
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	7	1,901,000,000	1,901,000,000
Legal reserve		48,120,521	48,120,521
Acquisition reserve		201,123,011	201,123,011
Retained earnings		214,414,247	205,519,477
Equity attributable to owners of the parent		2,364,657,779	2,355,763,009
Non-controlling interest		2,687,890	2,361,082
TOTAL SHAREHOLDERS' EQUITY		2,367,345,669	2,358,124,091
LIABILITIES			
Non-current liabilities			
Islamic financing	8	1,745,393,113	1,720,822,007
Employees' end of service benefits		18,402,868	16,001,968
Lease liabilities		105,014,676	111,943,670
Total non-current liabilities		1,868,810,657	1,848,767,645
Current liabilities			
Current portion of Islamic financing	8	215,415,686	176,309,615
Short term financing	9	53,473,087	96,904,033
Trade and other credit balances		231,220,046	260,563,345
Bank overdrafts		118,936,616	87,645,775
Lease liabilities		9,074,884	10,119,346
Due to related parties		3,698,853	5,092,556
Total current liabilities		631,819,172	636,634,670
TOTAL LIABILITIES		2,500,629,829	2,485,402,315
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		4,867,975,498	4,843,526,406

The attached notes from 1 to 13 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 27 October 2024 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 2024**

	Share Capital QR	Legal reserve QR	Acquisition reserve QR	Retained earnings QR	Total QR	Non- controlling interest QR	Total equity QR
For the nine month period ended 30 September 2024							
As at 1 January 2024 (Audited)	1,901,000,000	48,120,521	201,123,011	205,519,477	2,355,763,009	2,361,082	2,358,124,091
Profit for the period	–	–	–	141,014,270	141,014,270	326,808	141,341,078
Dividends	–	–	–	(132,119,500)	(132,119,500)	–	(132,119,500)
As at 30 September 2024 (Unaudited)	1,901,000,000	48,120,521	201,123,011	214,414,247	2,364,657,779	2,687,890	2,367,345,669
For the nine month period ended 30 September 2023							
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

The attached notes from 1 to 13 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 2024**

	For the nine month period ended 30 September 2024 (Unaudited) QR	For the nine month period ended 30 September 2023 (Unaudited) QR
OPERATING ACTIVITIES		
Profit before tax for the period	141,959,599	64,754,043
Adjustments for:		
Depreciation of property, plant and equipment	90,212,617	96,042,171
Depreciation of right-of-use assets	8,372,686	9,612,963
Amortization of intangible asset	2,528,621	1,963,174
Provision for employees' end of service benefits	3,797,258	3,154,690
Impairment loss allowance on trade receivables	54,415	-
Loss/(gain) on disposal of property, plant and equipment	34,070	(1,004)
(Gain) on investment of FVTPL	(18,403,131)	(2,339,983)
Dividend income	(2,224,890)	(2,284,393)
Gain arising from change in fair value of biological assets	(32,006,140)	(43,710,740)
Cost of slaughtered animals disposed and transfer	6,133,333	2,364,413
Loss from death of livestock	5,651,225	12,449,225
Finance cost on lease liabilities	1,045,588	524,789
Finance cost	42,014,926	57,454,241
Operating cash flow before movement in working capital	249,170,177	199,983,589
Changes in:		
Inventories	(20,768,101)	63,143,508
Due from related parties	8,925,184	(4,367,347)
Trade and other debit balances	15,574,899	(31,441,110)
Due to related parties	(1,393,703)	(2,279,805)
Trade and other credit balances	13,916,494	26,969,593
Cash generated from operating activities	265,424,950	252,008,428
Employees' end of service benefit paid	(1,396,358)	(1,665,718)
Finance costs paid	(91,899,120)	(80,441,892)
Interest on lease liabilities paid	(1,045,588)	(524,789)
Income tax paid	(213,959)	(580,338)
Net cash generated from operating activities	170,869,925	168,795,691
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(72,003,799)	(144,422,960)
Proceeds from disposal of property, plant and equipment	230,454	1,500
Purchase of intangible assets	(824,263)	(964,112)
Investment in a subsidiary	-	(6,845,721)
Proceeds from disposal of investment securities	2,212,437	45,890,827
Acquisition of financial asset at FVTPL	(77,835,261)	(57,620,135)
Dividend received	2,224,890	2,284,393
Net movement in biological assets	40,702,531	15,155,328
Net cash used in investing activities	(105,293,011)	(146,520,880)
FINANCING ACTIVITIES		
Net movement in financing	20,246,231	16,137,377
Principal elements of lease payments	(7,973,456)	(10,292,569)
Change in non-controlling interest	-	251,375
Dividend paid	(134,001,680)	(1,464,642)
Net movement in restricted cash	5,430,969	13,803,690
Net cash (used in)/generated from financing activities	(116,297,936)	18,435,231
Net (decrease)/increase in cash and cash equivalents	(50,721,022)	40,710,042
Cash and cash equivalents at the beginning of the period	(33,365,461)	(56,626,340)
Cash and cash equivalents at the end of the period	(84,086,483)	(15,916,298)

The attached notes from 1 to 13 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 2024

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 L.L.C (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%
Baladna for Trading and Investment L.L.C. (Note viii)	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 L.L.C. 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.
- (viii) Baladna for Trading and Investment L.L.C. is a limited liability company established under Qatar Financial Centre Registration No. 02713 and is owned 100% by Baladna Q.P.S.C. The principal activity of the company is holding subsidiary Companies.

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.

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 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

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 2023, 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 2023 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 2024

The following standards and amendments have become effective for the annual periods commencing on or after 1 January 2024. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

Revised IFRS**Effective for annual
periods beginning on or
after**

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
Disclosures: Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024
Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024

Amendments issued but not yet effective

Lack of Exchangeability – Amendments to IAS 21	1 January 2025
Sale or Contribution of Assets between an Investor and its Associate or Joint venture (Amendments to IFRS 10 and IAS 28)	Deferred indefinitely

BALADNA Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024

4. Revenue

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

a) *Type of goods or services*

	<u>For the three month period ended</u>		<u>For the nine month period ended</u>	
	<u>30 September</u> <u>2024</u> <u>(Unaudited)</u> <u>QR</u>	<u>30 September</u> <u>2023</u> <u>(Unaudited)</u> <u>QR</u>	<u>30 September</u> <u>2024</u> <u>(Unaudited)</u> <u>QR</u>	<u>30 September</u> <u>2023</u> <u>(Unaudited)</u> <u>QR</u>
Dairy sales	234,360,856	231,076,746	757,254,699	695,863,242
Juice sales	18,302,794	18,660,757	56,104,805	52,493,681
Livestock sales	5,494,627	1,693,227	28,203,590	12,411,646
Plastic sales	535,477	665,128	2,230,057	2,397,809
Feed sales	–	4,080	14,686	1,278,335
Compost and manure sales	744,900	731,645	1,682,332	1,428,661
Others	–	–	–	11,025
	259,438,654	252,831,583	845,490,169	765,884,399
Detergent sales	4,928,158	3,117,995	13,538,386	6,755,024
	264,366,812	255,949,578	859,028,555	772,639,423

b) *Timing of satisfaction of performance obligation*

Goods transferred at point in time	264,366,812	255,949,578	859,028,555	772,639,423
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5. Financial investments held at fair value through profit or loss

	<u>30 September 2024</u>		<u>31 December 2023</u>	
	<u>Quoted</u> <u>(Unaudited)</u> <u>QR</u>	<u>Unquoted</u> <u>(Unaudited)</u> <u>QR</u>	<u>Quoted</u> <u>(Audited)</u> <u>QR</u>	<u>Unquoted</u> <u>(Audited)</u> <u>QR</u>
Equity investments	465,867,079	–	371,841,124	–
	465,867,079	–	371,841,124	–

As at 30 September 2024, equity investments represent equity shares quoted in Qatar Stock Exchange and Egyptian Exchange.

6. Cash and cash equivalents

	<u>30 September 2024</u>	<u>31 December 2023</u>
	<u>(Unaudited)</u> <u>QR</u>	<u>(Audited)</u> <u>QR</u>
Cash in hand	404,684	931,201
Bank balances	34,445,449	58,780,082
Cash and bank balances	34,850,133	59,711,283
Restricted bank balances	–	(5,430,969)
	34,850,133	54,280,314
Bank overdraft	(118,936,616)	(87,645,775)
Cash and cash equivalents	(84,086,483)	(33,365,461)

BALADNA Q.P.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024****7. Share capital**

	30 September 2024 (Unaudited) QR	31 December 2023 (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 2024 (Unaudited) QR	31 December 2023 (Audited) QR
Islamic financing 1 <i>(Note i)</i>	921,327,524	964,827,522
Islamic financing 2 <i>(Note ii)</i>	909,995,192	850,000,000
Islamic financing 3 <i>(Note iii)</i>	79,385,178	82,304,100
Islamic financing 4 <i>(Note iv)</i>	50,100,905	–
	1,960,808,799	1,897,131,622
Current portion	215,415,686	176,309,615
Non-current portion	1,745,393,113	1,720,822,007
	1,960,808,799	1,897,131,622

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.

(iv) This represents margin facility obtained by the Company from a local bank to support the investment in equity securities.

9. Short term financing

	30 September 2024 (Unaudited) QR	31 December 2023 (Audited) QR
Short term financing	53,473,087	96,904,033

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

	<u>For the three month period ended</u>		<u>For the nine month period ended</u>	
	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Net profit attributable to equity holders of the parent (QR)	40,593,541	22,258,163	141,014,270	64,555,923
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)	0.021	0.012	0.074	0.034

BALADNA Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024

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 2024 (Unaudited) QR	31 December 2023 (Audited) QR
Guarantees and letters of credit	103,641,141	46,069,045

13. Comparative figures

Certain comparative amounts in the Group's interim condensed consolidated financial statements have been reclassified to conform to the current period's presentation. This reclassification does not impact on net assets or equity.