

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2023**

BALADNA Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2023

CONTENTS

Page(s)

Interim condensed consolidated financial statements

Interim consolidated statement of profit or loss and other comprehensive income	1
Interim consolidated statement of financial position	2
Interim consolidated statement of changes in shareholders' equity	3
Interim consolidated statement of cash flows	4
Notes to the interim condensed consolidated financial statements	5 -8

BALADNA Q.P.S.C.**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2023**

	<i>Note</i>	For the three month period ended 31 March 2023 (Unaudited) QR	For the three month period ended 31 March 2022 (Unaudited) QR
Revenue	3	254,445,309	239,295,853
Cost of revenue		(200,285,480)	(187,916,979)
Gross profit		54,159,829	51,378,874
Other income		30,034,137	29,598,932
Gain / (loss) on financial investments at FVTPL		473,964	(5,129,143)
Dividend income		-	5,144,275
Selling and distribution expenses		(18,770,385)	(22,537,983)
General and administrative expenses		(24,070,264)	(21,634,341)
Operating profit for the period		41,827,281	36,820,614
Finance costs and bank charges		(21,657,963)	(10,718,900)
Profit before income tax		20,169,318	26,101,714
Income tax expense		(151,290)	(205,488)
Profit after tax for the period		20,018,028	25,896,226
Other comprehensive income		-	-
Total comprehensive income for the period		20,018,028	25,896,226
Basic and diluted earnings per share (<i>Expressed in QR per share</i>)	8	0.011	0.014

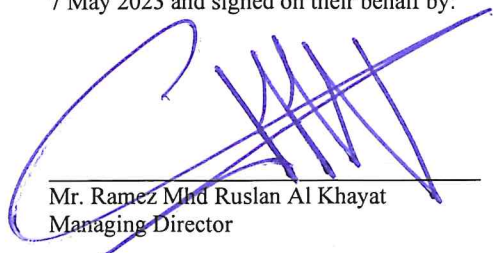
The attached notes from 1 to 10 are an integral part of these interim condensed consolidated financial statements.

BALADNA Q.P.S.C.**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	<i>Note</i>	31 March 2023 (Unaudited) QR	31 December 2022 (Audited) QR
ASSETS			
Non-current assets			
Property, plant and equipment		3,172,972,532	3,128,084,820
Right-of-use assets		17,852,208	21,056,526
Intangible assets		6,691,445	6,411,217
Financial investments held at fair value through profit or loss		175,130,038	218,124,952
Biological assets		221,016,571	219,941,340
Total non-current assets		3,593,662,794	3,593,618,855
Current assets			
Inventories		404,654,435	442,974,185
Trade and other debit balances		340,379,065	307,970,755
Biological assets		389,600	813,800
Due from related parties		31,571,977	30,709,498
Cash and bank balances	4	48,069,615	62,367,530
Total current assets		825,064,692	844,835,768
TOTAL ASSETS		4,418,727,486	4,438,454,623
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	5	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		129,612,505	109,594,477
TOTAL SHAREHOLDERS' EQUITY		2,268,893,180	2,248,875,152
LIABILITIES			
Non-current liabilities			
Islamic financing	6	1,625,814,522	1,634,196,123
Employees' end of service benefits		13,777,234	13,589,562
Lease liabilities		8,232,353	8,805,361
Total non-current liabilities		1,647,824,109	1,656,591,046
Current liabilities			
Current portion of Islamic financing	6	100,187,500	86,125,000
Short term financing	7	68,663,606	88,206,914
Trade and other credit balances		226,918,492	239,693,454
Bank overdrafts	4	92,051,812	99,492,839
Lease liabilities		13,312,488	15,186,935
Due to related parties		876,299	4,283,283
Total current liabilities		502,010,197	532,988,425
TOTAL LIABILITIES		2,149,834,306	2,189,579,471
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		4,418,727,486	4,438,454,623

The attached notes from 1 to 10 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 7 May 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 CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2023**

	Share Capital QR	Legal reserve QR	Acquisition reserve QR	Retained earnings QR	Total QR
As at 1 January 2023 (Audited)	1,901,000,000	37,157,664	201,123,011	109,594,477	2,248,875,152
Profit for the period	–	–	–	20,018,028	20,018,028
As at 31 March 2023 (Unaudited)	1,901,000,000	37,157,664	201,123,011	129,612,505	2,268,893,180

	Share Capital QR	Legal reserve QR	Acquisition reserve QR	Retained earnings QR	Total QR
As at 1 January 2022 (Audited)	1,901,000,000	29,096,491	201,123,011	139,812,217	2,271,031,719
Profit for the period	–	–	–	25,896,226	25,896,226
As at 31 March 2022 (Unaudited)	1,901,000,000	29,096,491	201,123,011	165,708,443	2,296,927,945

The attached notes from 1 to 10 are an integral part of these interim condensed consolidated financial statements.

BALADNA Q.P.S.C.**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2023**

	For the three month period ended 31 March 2023 (Unaudited) QR	For the three month period ended 31 March 2022 (Unaudited) QR
OPERATING ACTIVITIES		
Profit before tax for the period	20,169,318	26,101,714
Adjustments for:		
Depreciation on property, plant and equipment	31,258,224	29,621,908
Depreciation of right-of-use assets	3,204,318	3,288,475
Amortization of intangible asset	583,248	506,360
Provision for employees' end of service benefits	1,035,393	976,477
Impairment loss allowance on trade receivables	-	145,138
Loss on disposal of property, plant and equipment	(1,004)	-
Fair value gain on financial investments at fair value through profit or loss	(473,964)	5,129,143
Dividend Income	-	(5,144,275)
Gain arising from change in fair value of biological assets	(14,732,317)	(16,812,048)
Cost of slaughtered animals disposed and transfer	1,890,558	2,982,464
Loss from death of livestock	4,631,718	1,582,843
Finance cost on lease liabilities	206,808	399,359
Finance cost	21,451,155	10,319,541
Operating cash flow before movement in working capital	69,223,455	59,097,099
Changes in:		
Inventories	38,319,750	(55,327,226)
Due from related parties	(862,479)	(1,310,361)
Trade and other debit balances	(32,160,360)	30,442,771
Due to related parties	(3,406,984)	(9,403,158)
Trade and other credit balances	(12,935,449)	44,849,635
Cash generated from operating activities	58,177,933	68,348,760
Employees' end of service benefit paid	(847,721)	(222,692)
Finance costs paid	(26,007,935)	(12,579,544)
Finance cost on lease liabilities paid	(206,808)	(399,359)
Net cash generated from operating activities	31,115,469	55,147,165
INVESTING ACTIVITIES		
Purchase of property, plant and equipment (i)	(72,172,453)	(51,051,146)
Proceeds from disposal of property, plant and equipment	1,500	-
Purchase of intangible assets	(161,404)	-
Disposal of investment securities	45,042,055	-
Acquisition of financial investments at fair value through profit or loss	(1,573,177)	(33,348,892)
Dividend received	-	5,144,275
Net movement in biological assets	7,559,010	7,392,203
Net cash used in investing activities	(21,304,469)	(71,863,560)
FINANCING ACTIVITIES		
Net movement in financing	(13,862,409)	80,800,801
Repayment of right-of-use assets	(2,447,455)	(946,492)
Net movement in restricted cash	13,803,690	60,352
Dividend paid	(358,024)	(243,142)
Net cash generated from financing activities	(2,864,198)	79,671,519
Net increase in cash and cash equivalents	6,946,802	62,955,124
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	(49,679,538)	10,330,353

(i) An amount of QR 4,676,051 (2022: QR 855,436) has been excluded from the purchase of property, plant and equipment for the cash flow statement as it represents the finance cost capitalized during the year.

The attached notes from 1 to 10 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 THREE MONTH PERIOD ENDED 31 MARCH 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%

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 follow:
- 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.

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2023****2. Basis of preparation and significant accounting policies****2.1 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 31 March 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

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 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.

2.2 Basis of measurement

The interim condensed consolidated financial statements have been prepared on the historical cost basis except for financial investments held at fair value through profit or loss and biological assets which have been measured at fair value.

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 31 March 2023 (Unaudited) QR	For the three month period ended 31 March 2022 (Unaudited) QR
Dairy sales	228,066,443	215,428,732
Juice sales	15,943,449	13,333,633
Livestock sales	8,116,767	8,167,518
Feed sales	876,617	521,397
Plastic sales	797,636	734,423
Compost and manure sales	633,372	1,106,450
Other sales	11,025	3,700
	254,445,309	239,295,853

b) Timing of satisfaction of performance obligation

Goods transferred at point in time	254,445,309	239,295,853
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BALADNA Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2023

4. Cash and cash equivalents	31 March 2023 (Unaudited) QR	31 December 2022 (Audited) QR
Cash on hand	525,703	591,782
Bank balances	47,543,912	61,775,748
Cash and bank balances	48,069,615	62,367,530
Restricted bank balances	(5,697,341)	(19,501,031)
	42,372,274	42,866,499
Bank overdraft	(92,051,812)	(99,492,839)
Cash and cash equivalents	(49,679,538)	(56,626,340)

5. Share capital	31 March 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.

6. Islamic financing	31 March 2023 (Unaudited) QR	31 December 2022 (Audited) QR
Islamic financing 1 (Note i)	993,827,522	1,008,327,523
Islamic financing 2 (Note ii)	650,000,000	630,000,000
Islamic financing 3 (Note iii)	82,174,500	81,993,600
	1,726,002,022	1,720,321,123
Current portion	100,187,500	86,125,000
Non-current portion	1,625,814,522	1,634,196,123
	1,726,002,022	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. The facility carries profit rate of 5.50% per annum (2022: 5.75% per annum).
- (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. The facility carries management fee of 5.50% per annum (2022: 5.75% per annum).
- (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. The facility carries profit rate of 6.05% per annum (2022: 5.80% per annum)

BALADNA Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2023

7. Short term financing	31 March 2023 (Unaudited) QR	31 December 2022 (Audited) QR
Financings	68,663,606	88,206,914

This represents document credit facility obtained from a local bank on order to finance the working capital requirements. The facility carries financing rate of 5.50% per annum (2022: 5.75% per annum).

8. Basic and diluted earnings per share	For the three month period ended 31 March 2023 (Unaudited)	For the three month period ended 31 March 2022 (Unaudited)
Profit for the period (QR)	20,018,028	25,896,226
Weighted average number of shares outstanding during the period	1,901,000,000	1,901,000,000
Basic and diluted earnings per share (QR)	0.011	0.014

9. Segment reporting

- The Group has single significant business operation which is an agricultural activity of production and sales of dairy and juice 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 various 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:

	31 March 2023 (Unaudited) QR	31 December 2022 (Audited) QR
Guarantees and letters of credit	59,250,527	54,799,196