

**SAUDIA DAIRY AND FOODSTUFF COMPANY (SADAFCO)**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)**

with

**INDEPENDENT AUDITOR'S REPORT**

For the three-month and nine-month periods ended December 31, 2022

**SAUDIA DAIRY AND FOODSTUFF COMPANY (SADAFCO)**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the three-month and nine-month periods ended December 31, 2022

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## KPMG Professional Services

Zahran Business Center  
Prince Sultan Street  
P. O. Box 55078  
Jeddah 21534  
Kingdom of Saudi Arabia  
Commercial Registration No 403029792

Headquarters in Riyadh

## كي بي إم جي للاستشارات المهنية

مركز زهران للأعمال  
شارع الأمير سلطان  
ص. ب. 55078  
جده 21534  
المملكة العربية السعودية  
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

# Independent auditor's report on review of condensed consolidated interim financial statements:

To the Shareholders of Saudia Dairy and Foodstuff Company (SADAFCO)

## Introduction

We have reviewed the accompanying December 31, 2022 condensed consolidated interim financial statements of Saudia Dairy and Foodstuff Company (the "Company" or "SADAFCO") and its subsidiaries ("the Group"), which comprises:

- the condensed consolidated statement of financial position as at December 31, 2022;
- the condensed consolidated statement of profit or loss for the three-month and nine-month periods ended December 31, 2022;
- the condensed consolidated statement of comprehensive income for the three-month and nine-month periods ended December 31, 2022;
- the condensed consolidated statement of changes in equity for the nine-month period ended December 31, 2022;
- the condensed consolidated statement of cash flows for the nine-month period ended December 31, 2022; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements 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' that is endorsed in the Kingdom of Saudi Arabia. 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 that are endorsed in the Kingdom of Saudi Arabia, 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 December 31, 2022 condensed consolidated interim financial statements of Saudia Dairy and Foodstuff Company (SADAFCO) and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.



# Independent auditor's report on review of condensed consolidated interim financial statements (continued)

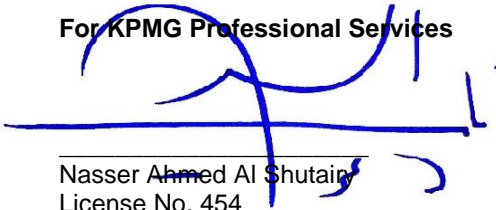
To the Shareholders of Saudia Dairy and Foodstuff Company (SADAFCO)

## Other matters

The condensed consolidated interim financial statements of the Company and its subsidiaries as at and for the three-month and nine-month periods ended December 31, 2021 were reviewed by another auditor who expressed an unmodified conclusion on those condensed consolidated interim financial statements on 17 Jumada Al-Thani 1443H (corresponding to January 20, 2022).

The consolidated financial statements of the Company and its subsidiaries for the year ended March 31, 2022 were audited by the same other auditor who expressed an unmodified opinion on those consolidated financial statements on 15 Shawwal 1443H (corresponding to May 16, 2022).

### For KPMG Professional Services

  
Nasser Ahmed Al Shutairi  
License No. 454



Jeddah, 24 January 2023  
Corresponding to 2 Rajab 1444H

**SAUDIA DAIRY AND FOODSTUFF COMPANY (SADAFCO)**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at December 31, 2022

(Expressed in thousands of Saudi Arabian Riyals, unless otherwise stated)

	Notes	December 31, 2022 (Unaudited)	March 31, 2022 (Audited)
<b>ASSETS</b>			
Property, plant and equipment	7	923,723	935,403
Right-of-use assets		55,764	64,954
Goodwill and intangible assets		15,457	18,462
Long term investment	8	38,862	-
Other non-current assets		3,810	5,656
<b>Non-current assets</b>		<b>1,037,616</b>	<b>1,024,475</b>
Inventories		506,303	359,421
Trade and other receivables	9	232,449	242,084
Deposits, prepayments and other assets		40,855	34,478
Short term investment		258,000	--
Cash and cash equivalents	10	375,836	625,962
<b>Current assets</b>		<b>1,413,443</b>	<b>1,261,945</b>
<b>Total assets</b>		<b>2,451,059</b>	<b>2,286,420</b>
<b>EQUITY</b>			
Share capital	11	325,000	325,000
Statutory reserve		162,500	162,500
Other reserves	17	325,005	303,172
Treasury shares		(51,559)	(51,559)
Foreign currency translation reserves		(10,915)	(11,506)
Retained earnings		913,091	812,596
<b>Equity attributable to equity holders of the parent</b>		<b>1,663,122</b>	<b>1,540,203</b>
Non-controlling interests		22,732	21,151
<b>Total equity</b>		<b>1,685,854</b>	<b>1,561,354</b>
<b>LIABILITIES</b>			
Employee benefit obligations		133,368	128,145
Lease liabilities		46,663	56,107
Non-controlling interest put option	12.1	--	24,229
<b>Non-current liabilities</b>		<b>180,031</b>	<b>208,481</b>
Trade and other payables		165,767	191,501
Accruals and other liabilities		323,163	287,898
Non-controlling interest put option	12.1	63,371	--
Lease liabilities		9,854	10,526
Dividends payable		3,387	3,176
Accrued Zakat and income tax	13	17,902	22,081
Due to related parties	14	1,730	1,403
<b>Current liabilities</b>		<b>585,174</b>	<b>516,585</b>
<b>Total liabilities</b>		<b>765,205</b>	<b>725,066</b>
<b>Total equity and liabilities</b>		<b>2,451,059</b>	<b>2,286,420</b>

The notes on pages from 8 to 25 form an integral part of these condensed consolidated interim financial statements.

Mussad Abdullah Al Nassar  
Member Board of Directors

Patrick Othmar Stillhart  
Chief Executive Officer

Syed Fahim Hamdani  
Chief Financial Officer (acting)

**SAUDIA DAIRY AND FOODSTUFF COMPANY (SADAFCO)**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)**

For the three-month and nine-month periods ended December 31, 2022

(Expressed in thousands of Saudi Arabian Riyals, unless otherwise stated)

	Notes	Three-month period ended December 31,		Nine-month period ended December 31,	
		2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Revenue – net	4	654,001	519,905	1,979,816	1,542,386
Cost of revenue		(458,034)	(359,810)	(1,358,357)	(1,070,275)
<b>Gross profit</b>		<b>195,967</b>	<b>160,095</b>	<b>621,459</b>	<b>472,111</b>
Other (loss) / income		(587)	2,528	796	4,319
Selling and distribution expenses		(92,628)	(73,072)	(253,354)	(226,177)
General and administrative expenses		(27,711)	(27,470)	(88,898)	(84,304)
Impairment loss on trade receivables	9	-	(303)	(544)	(909)
<b>Operating profit</b>		<b>75,041</b>	<b>61,778</b>	<b>279,459</b>	<b>165,040</b>
Finance income		4,089	1,228	10,974	2,846
Finance costs	12	6,369	(2,095)	(52,234)	(4,883)
<b>Profit before zakat and income tax</b>		<b>85,499</b>	<b>60,911</b>	<b>238,199</b>	<b>163,003</b>
Zakat and income tax	13	(7,165)	(6,337)	(17,465)	(16,728)
<b>Profit for the period</b>		<b>78,334</b>	<b>54,574</b>	<b>220,734</b>	<b>146,275</b>
<b>Profit attributable to:</b>					
Equity holders of the parent		78,449	53,651	218,328	145,856
Non-controlling interests		(115)	923	2,406	419
		<b>78,334</b>	<b>54,574</b>	<b>220,734</b>	<b>146,275</b>
<b>Earnings per share (EPS):</b>					
Basic and diluted earnings per share (in Saudi Arabian Riyals)	6	2.45	1.68	6.82	4.56

The notes on pages from 8 to 25 form an integral part of these condensed consolidated interim financial statements.



Mussad Abdullah Al Nassar  
Member Board of Directors



Patrick Othmar Stillhart  
Chief Executive Officer



Syed Fahim Hamdani  
Chief Financial Officer (acting)



**SAUDIA DAIRY AND FOODSTUFF COMPANY (SADAFCO)**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**(UNAUDITED)**

For the three-month and nine-month periods ended December 31, 2022  
(Expressed in thousands of Saudi Arabian Riyals, unless otherwise stated)

	Three-month period ended December 31,		Nine-month period ended December 31,	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Profit for the period</b>	<b>78,334</b>	<b>54,574</b>	<b>220,734</b>	<b>146,275</b>
<b>Other comprehensive income / (loss)</b> <i>Items that are or may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	<u>5,546</u>	<u>(3,880)</u>	<u>(234)</u>	<u>(2,409)</u>
<b>Other comprehensive income / (loss) for the period</b>	<u><b>5,546</b></u>	<u><b>(3,880)</b></u>	<u><b>(234)</b></u>	<u><b>(2,409)</b></u>
<b>Total comprehensive income for the period</b>	<u><b>83,880</b></u>	<u><b>50,694</b></u>	<u><b>220,500</b></u>	<u><b>143,866</b></u>
<b>Total comprehensive income for the period attributable to:</b>				
Equity holders of the parent	<u>81,359</u>	<u>50,153</u>	<u>218,919</u>	<u>145,205</u>
Non-controlling interests	<u>2,521</u>	<u>541</u>	<u>1,581</u>	<u>(1,339)</u>
	<u><b>83,880</b></u>	<u><b>50,694</b></u>	<u><b>220,500</b></u>	<u><b>143,866</b></u>

The notes on pages from 8 to 25 form an integral part of these condensed consolidated interim financial statements.



Mussad Abdullah Al Nassar  
Member Board of Directors



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Chief Executive Officer



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Chief Financial Officer (acting)

**SAUDIA DAIRY AND FOODSTUFF COMPANY (SADAFCO)**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**

For the nine-month period ended December 31, 2022

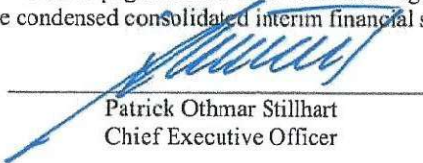
(Expressed in thousands of Saudi Arabian Riyals, unless otherwise stated)

	Attributable to equity holders of the parent						Total	Non-controlling interests	Total equity
	Share Capital	Statutory reserve	Other reserves	Treasury shares	Foreign currency translation reserves	Retained earnings			
Balance at April 1, 2021	325,000	162,500	282,443	(51,559)	(6,796)	821,758	1,533,346	21,473	1,554,819
Profit / (loss) for the period	--	--	--	--	--	145,856	145,856	419	146,275
Other comprehensive loss	--	--	--	--	(651)	--	(651)	(1,758)	(2,409)
Total comprehensive (loss) / income for the period	--	--	--	--	(651)	145,856	145,205	(1,339)	143,866
Other changes in non-controlling interests	--	--	--	--	--	--	--	345	345
Dividends (Note 18)	--	--	--	--	--	(95,999)	(95,999)	--	(95,999)
Transfer to other reserves (Note 17)	--	--	14,586	--	--	(14,586)	--	--	--
Balance as at December 31, 2021 (Unaudited)	<u>325,000</u>	<u>162,500</u>	<u>297,029</u>	<u>(51,559)</u>	<u>(7,447)</u>	<u>857,029</u>	<u>1,582,552</u>	<u>20,479</u>	<u>1,603,031</u>
Balance at April 1, 2022	325,000	162,500	303,172	(51,559)	(11,506)	812,596	1,540,203	21,151	1,561,354
Profit for the period	--	--	--	--	--	218,328	218,328	2,406	220,734
Other comprehensive income / (loss)	--	--	--	--	591	--	591	(825)	(234)
Total comprehensive income for the period	--	--	--	--	591	218,328	218,919	1,581	220,500
Dividends declared (Note 18)	--	--	--	--	--	(96,000)	(96,000)	--	(96,000)
Transfer to other reserves (Note 17)	--	--	21,833	--	--	(21,833)	--	--	--
Balance at December 31, 2022 (Unaudited)	<u>325,000</u>	<u>162,500</u>	<u>325,005</u>	<u>(51,559)</u>	<u>(10,915)</u>	<u>913,091</u>	<u>1,663,122</u>	<u>22,732</u>	<u>1,685,854</u>


The notes on pages from 8 to 25 form an integral part of these condensed consolidated interim financial statements.



Mussad Abdullah Al Nassar  
Member Board of Directors



Patrick Othmar Stillhart  
Chief Executive Officer



Syed Fahim Hamdani  
Chief Financial Officer (acting)



**SAUDIA DAIRY AND FOODSTUFF COMPANY (SADAFCO)**  
(A Saudi Joint Stock Company)


**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**

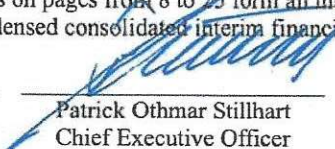
For the nine-month period ended December 31, 2022


(Expressed in thousands of Saudi Arabian Riyals, unless otherwise stated)

	Notes	For the nine-month period ended December 31,	
		2022	2021
<b>Cash flows from operating activities</b>			
Profit before zakat and income tax		238,199	163,003
<u>Adjustments for:</u>			
Depreciation on property, plant and equipment	7	78,325	66,060
Depreciation on right-of-use assets		10,628	8,372
Amortization of intangible assets		2,557	2,011
Gain on disposal of property, plant and equipment		(251)	(531)
Impairment loss on trade receivables		544	909
Finance costs on lease liabilities		1,930	1,945
Finance costs on non-controlling interest put option and other liabilities		38,754	(1,384)
Loss on derecognition of contingent consideration payable		--	917
Provision for employee benefit obligations		13,688	10,807
Provision for slow moving inventories		(10)	--
Others		--	241
		<u>384,364</u>	<u>252,350</u>
<u>Changes in:</u>			
Inventories		(146,872)	(64,956)
Trade and other receivables		9,091	16,800
Deposits, prepayments and other assets		(6,377)	(8,342)
Trade and other payables		(25,734)	34,699
Due to related parties		327	(1,180)
Accruals and other liabilities		35,265	(5,750)
		<u>250,064</u>	<u>223,621</u>
Cash generated from operating activities			
Repayments of finance costs on lease liabilities		(1,656)	(1,754)
Employee benefit obligations paid		(8,465)	(4,892)
Zakat and income tax paid		(21,644)	(23,633)
<b>Net cash from operating activities</b>		<u>218,299</u>	<u>193,342</u>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of property, plant and equipment		335	1,331
Purchases of property, plant and equipment		(68,225)	(119,306)
Investment in Sukuks		(38,862)	--
Short term investment		(258,000)	--
Net movement in other non-current assets		1,846	--
<b>Net cash used in investing activities</b>		<u>(362,906)</u>	<u>(117,975)</u>
<b>Cash flows from financing activities</b>			
Dividends paid		(95,789)	(95,427)
Principal repayment of lease liabilities		(9,491)	(8,358)
Payment for contingent consideration payable		--	(3,925)
Change in non-controlling interests		--	345
<b>Net cash used in financing activities</b>		<u>(105,280)</u>	<u>(107,365)</u>
Net increase / (decrease) in cash and cash equivalents		(249,887)	(31,998)
Effects of exchange rate fluctuations on cash and cash equivalents		(239)	(2,139)
Cash and cash equivalents at the beginning of the period		<u>625,962</u>	<u>713,290</u>
<b>Cash and cash equivalents at the end of the period</b>		<u>375,836</u>	<u>679,153</u>

The notes on pages from 8 to 25 form an integral part of these condensed consolidated interim financial statements.

  
Mussad Abdullah Al Nassar  
Member Board of Directors

  
Patrick Othmar Stillhart  
Chief Executive Officer

  
Syed Fahim Hamdani  
Chief Financial Officer (acting)

## **SAUDIA DAIRY AND FOODSTUFF COMPANY (SADAFCO)**

(A Saudi Joint Stock Company)

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the nine-month period ended December 31, 2022

(Expressed in thousands of Saudi Arabian Riyals, unless otherwise stated)

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#### **1. REPORTING ENTITY**

Saudia Dairy and Foodstuff Company (the “Company” or “SADAFCO”), is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration number 4030009917 issued in Jeddah dated Rabi Al-Akhar 21, 1396H (April 21, 1976).

The Company, together with its subsidiaries referred to as “the Group” is primarily engaged in the production and distribution of dairy products, beverages and various foodstuffs in the Kingdom of Saudi Arabia, Poland, and certain other Gulf and Arab countries. Information on the Group’s structure is provided in Note 5 of these condensed consolidated interim financial statements.

The Group’s registered office is located at Al Nakheel District, P.O. Box 5043, Jeddah 21422, Kingdom of Saudi Arabia.

#### **2. BASIS OF PREPARATION**

##### **2.1 Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards (IAS) 34 “Interim Financial Reporting” that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) and should be read in conjunction with the Group’s annual consolidated financial statements as at and for the year ended March 31, 2022 (“last annual Financial Statements”).

These condensed consolidated interim financial statements do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (‘IFRS’) as endorsed in the Kingdom of Saudi Arabia. However, selected accounting policies and explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements. In addition, results for the interim period ended December 31, 2022, are not necessarily indicative of the results that may be expected for the financial year ending March 31, 2023.

##### **2.2 Basis of measurement**

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for the following significant items in the condensed consolidated statement of financial position:

- Non-controlling interest put option is recognised at the present value of the redemption amount;
- The defined benefit obligation is recognised at the present value of future obligations using the Projected Unit Credit Method; and
- Derivative financial instruments are measured at fair value through profit or loss.

Certain comparatives have been reclassified to conform to the current period’s presentation.

**SAUDIA DAIRY AND FOODSTUFF COMPANY (SADAFCO)**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the nine-month period ended December 31, 2022

(Expressed in thousands of Saudi Arabian Riyals, unless otherwise stated)

**2. BASIS OF PREPARATION (continued)**

**2.3 Functional and Presentation Currency**

These condensed consolidated interim financial statements are presented in Saudi Arabian Riyals (“SR”) being the functional currency of the Company and currency of presentation of the Group. All amounts are rounded to the nearest thousand SR, unless otherwise indicated.

**2.4 New standards and amendments to standards**

The following amendments to existing standards and framework have been applied by the Group in preparation of these condensed consolidated interim financial statements. The adoption of the following did not result in changes to the previously reported profit or equity of the Group.

<i><u>Standard / Interpretation</u></i>	<i><u>Description</u></i>	<i><u>Effective date</u></i>
IAS 37	Onerous contracts – cost of fulfilling a contract – Amendment	January 01, 2022
IFRS Standards	Annual improvements to IFRS standards 2018 – 2020	January 01, 2022
IAS 16	Property, plant and equipment: proceeds before intended use - Amendment	January 01, 2022
IFRS 3	Reference to the conceptual framework – Amendment	January 01, 2022

**2.5 Standards issued but not yet effective**

The standards, interpretations, and amendments issued, but not yet effective up to the date of issuance of the condensed consolidated interim financial statements are disclosed below. The Group is currently assessing the implications on the Group’s consolidated interim financial statements on adoption. The Group intends to adopt these standards, where applicable, when they become effective.

<i><u>Standard / Interpretation</u></i>	<i><u>Description</u></i>	<i><u>Effective from periods beginning on or after the following date</u></i>
IFRS 17	Insurance contracts	January 01, 2023
IAS 1	Classification of liabilities as current or non-current (amendments to IAS 1)	January 01, 2023
IFRS 17	Amendments	January 01, 2023
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	January 01, 2023
IAS 8	Definition to accounting estimates	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction`	January 01, 2023

**SAUDIA DAIRY AND FOODSTUFF COMPANY (SADAFCO)**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the nine-month period ended December 31, 2022

(Expressed in thousands of Saudi Arabian Riyals, unless otherwise stated)

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**2. BASIS OF PREPARATION (continued)**

**2.5 Standards issued but not yet effective (continued)**

<b><u>Standard / Interpretation</u></b>	<b><u>Description</u></b>	<b><i>Effective from periods beginning on or after the following date</i></b>
IFRS 17 and IFRS 9	Initial Application of IFRS 17 and IFRS 9 – Comparative Information (amendments to IFRS 17)	January 01, 2023
IFRS 16	Lease Liability in a Sale and Leaseback – Amendment	January 01, 2024
IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	Effective date postponed indefinitely

**2.6 Use of estimates and judgments**

The preparation of these condensed consolidated interim 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, accompanying disclosures, including disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future periods. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation of uncertainty were the same as those described in the last annual financial statements.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted by the Group for the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended March 31, 2022, except for the adoption of amendments and interpretations effective as at January 1, 2022, as mentioned in note 2. The Group has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

**SAUDIA DAIRY AND FOODSTUFF COMPANY (SADAFCO)**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the nine-month period ended December 31, 2022

(Expressed in thousands of Saudi Arabian Riyals, unless otherwise stated)

**4. SEGMENT INFORMATION**

**4.1 Operating segment**

The Group's Board of Directors and Chief Executive Officer monitor the results of the Group's operations for the purpose of making decisions about resource allocation and performance assessment. They are collectively the Chief Operating Decision Makers (CODM) for the Group.

The operating segments described below have been prepared in accordance with IFRS 8. The Group operates in two main business segments, drinks and non-drinks. The drinks segment represents milk and juice products, while non-drinks represent ice creams, tomato paste, cheese, and snacks.

Revenue is recognised when a customer obtains control of the goods or services (i.e. when it has the ability to direct the use of and obtain benefits from the goods). Customers obtain control when goods are delivered to and have been accepted by them as per the applicable delivery terms. Accordingly, revenue is recognised at that point-in-time.

The following table presents segment information for the period ended December 31:

	<u>Three-month period ended</u>				<u>Nine-month period ended</u>			
	<u>Drinks</u>	<u>Non-Drinks</u>	<u>Unallocated</u>	<u>Total</u>	<u>Drinks</u>	<u>Non-Drinks</u>	<u>Unallocated</u>	<u>Total</u>
<b>December 31, 2022 (Unaudited)</b>								
<b><u>Segment profit or loss:</u></b>								
Revenue – net	424,622	262,165	--	686,787	1,177,236	932,571	--	2,109,807
Inter-segment revenue - net	(11,936)	(20,850)	--	(32,786)	(33,608)	(96,383)	--	(129,991)
Revenue from external customers	412,686	241,315	--	654,001	1,143,628	836,188	--	1,979,816
Profit before zakat and income tax	55,967	30,317	(785)	85,499	156,763	81,084	352	238,199
Depreciation and amortization	(20,756)	(9,697)	--	(30,453)	(62,001)	(29,509)	--	(91,510)
Finance income	--	4,874	(785)	4,089	--	10,622	352	10,974
Finance costs	(488)	6,857	--	6,369	(1,467)	(50,767)	--	(52,234)



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**4. SEGMENT INFORMATION (continued)**

**4.1 Operating segment (continued)**

	<u>December 31, 2022</u>			
	<u>Drinks</u>	<u>Non-Drinks</u>	<u>Unallocated</u>	<u>Total</u>
<b><u>Segment assets:</u></b>				
Property, plant and equipment	627,493	296,230	--	923,723
Right-of-use assets	46,332	9,432	--	55,764
Goodwill and intangible assets	--	15,457	--	15,457
Long term investment	--	--	38,862	38,862
Other non-current assets	--	3,567	243	3,810
Current assets	53,359	142,309	1,217,775	1,413,443
<b>Total assets</b>	<b>727,184</b>	<b>466,995</b>	<b>1,256,880</b>	<b>2,451,059</b>
<b><u>Segment liabilities:</u></b>				
Current liabilities	7,511	100,356	477,307	585,174
Non-controlling interest put option	--	--	--	--
Lease liabilities	38,992	7,671	--	46,663
Employee benefit obligations	--	266	133,102	133,368
<b>Total liabilities</b>	<b>46,503</b>	<b>108,293</b>	<b>610,409</b>	<b>765,205</b>

	<u>Three-month period ended</u>				<u>Nine-month period ended</u>			
	<u>Drinks</u>	<u>Non-Drinks</u>	<u>Unallocated</u>	<u>Total</u>	<u>Drinks</u>	<u>Non-Drinks</u>	<u>Unallocated</u>	<u>Total</u>
December 31, 2021 (Unaudited)								

**Segment profit or loss:**

Revenue – net	305,470	238,294	--	543,764	888,606	725,918	--	1,614,524
Inter-segment revenue - net	(7,661)	(16,198)	--	(23,859)	(20,485)	(51,653)	--	(72,138)
Revenue from external customers	297,809	222,096	--	519,905	868,121	674,265		1,542,386
Profit before zakat and income tax	32,263	28,648	--	60,911	87,008	75,995	--	163,003
Depreciation and amortization	17,459	7,547	--	25,006	51,200	25,243	--	76,443
Finance income	--	394	834	1,228	--	933	1,913	2,846
Finance costs	577	1,518	--	2,095	1,649	3,234	--	4,883

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**4. SEGMENT INFORMATION (continued)**

**4.1 Operating segment (continued)**

	<u>December 31, 2021</u>			
	<u>Drinks</u>	<u>Non-Drinks</u>	<u>Unallocated</u>	<u>Total</u>
<i><u>Segment assets:</u></i>				
Property, plant and equipment	617,175	295,638	-	912,813
Right-of-use assets	54,892	11,856	-	66,748
Goodwill and intangible assets	-	19,630	-	19,630
Other non-current assets	-	5,053	243	5,296
Current assets	-	67,378	1,232,113	1,299,491
Total assets	<u>672,067</u>	<u>399,555</u>	<u>1,232,356</u>	<u>2,303,978</u>
<i><u>Segment liabilities:</u></i>				
Current liabilities	7,304	35,718	448,579	491,601
Non-controlling interest put option	--	24,949	--	24,949
Lease liabilities	47,985	10,703	--	58,688
Employee benefit obligations	--	283	125,426	125,709
Total liabilities	<u>55,289</u>	<u>71,653</u>	<u>574,005</u>	<u>700,947</u>
<u>March 31, 2022 (Audited)</u>				
	<u>Drinks</u>	<u>Non-Drinks</u>	<u>Unallocated</u>	<u>Total</u>
<i><u>Segment assets:</u></i>				
Property, plant and equipment	631,006	304,397	--	935,403
Right-of-use assets	53,671	11,283	--	64,954
Goodwill and intangible assets	--	18,462	--	18,462
Other non-current assets	--	5,413	243	5,656
Current assets	40,311	113,401	1,108,233	1,261,945
Total assets	<u>724,988</u>	<u>452,956</u>	<u>1,108,476</u>	<u>2,286,420</u>
<i><u>Segment liabilities:</u></i>				
Current liabilities	8,324	39,518	468,743	516,585
Non-controlling interest put option	--	24,229	--	24,229
Lease liabilities	46,500	9,607	--	56,107
Employee benefit obligations	--	280	127,865	128,145
Total liabilities	<u>54,824</u>	<u>73,634</u>	<u>596,608</u>	<u>725,066</u>

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**4. SEGMENT INFORMATION (continued)**

**4.1 Operating segment (continued)**

The management has categorized its geographical operations as follows:

	<b>Three-month period ended December 31,</b>		<b>Nine-month period ended December 31,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b><u>Geographic information:</u></b>				
<b><u>Revenue from external customers:</u></b>				
Kingdom of Saudi Arabia	543,441	415,305	1,629,174	1,293,485
Poland	64,019	71,663	223,079	155,954
Gulf Cooperation Council (GCC) countries	15,803	14,124	45,983	40,804
Others	30,738	18,813	81,580	52,143
Total	<u>654,001</u>	<u>519,905</u>	<u>1,979,816</u>	<u>1,542,386</u>
			<b>December 31,</b>	<b>March 31,</b>
			<b>2022</b>	<b>2022</b>
			(Unaudited)	(Audited)
<b><u>Non-current operating assets:</u></b>				
Kingdom of Saudi Arabia			969,040	947,237
Poland			51,525	59,028
Gulf Cooperation Council (GCC) countries			12,256	13,729
Others			4,795	4,481
Total			<u>1,037,616</u>	<u>1,024,475</u>

**4.2 Adjustments**

Certain non-current assets, current assets, current liabilities and non-current liabilities are not allocated to operating segments as they are managed at the Group level.

**4.3 Reconciliation of profit**

	<b>Three-month period ended December 31,</b>		<b>Nine-month period ended December 31,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Total profit for reportable segments	86,284	60,077	237,847	161,090
Finance income	(785)	834	352	1,913
Profit before zakat and income tax	<u>85,499</u>	<u>60,911</u>	<u>238,199</u>	<u>163,003</u>

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**5. GROUP INFORMATION**

The condensed consolidated interim financial statements of the Group include:

<u>Name</u>	<u>Relationship</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Percentage of equity interest</u>	
				<u>December 31, 2022</u>	<u>March 31, 2022</u>
SADAFCO Bahrain Company LLC	Subsidiary	Foodstuff and dairy products	Bahrain	<b>100%</b>	100%
SADAFCO Jordan Foodstuff Company LLC	Subsidiary	Foodstuff and dairy products	Jordan	<b>100%</b>	100%
SADAFCO Qatar W.L.L.	Subsidiary	Foodstuff and dairy products	Qatar	<b>75%</b>	75%
SADAFCO Kuwait Foodstuff Co. W.L.L (*)	Subsidiary	Foodstuff and dairy products	Kuwait	<b>49%</b>	49%
SADAFCO Poland Sp. z.o.o. ("SADAFCO Poland")	Subsidiary	Holding company	Poland	<b>100%</b>	100%
Mlekoma Sp. z o.o. (**)	Subsidiary	Dairy products	Poland	<b>76%</b>	76%
Foodexo Sp. z o.o. (**)	Subsidiary	Dairy products	Poland	<b>76%</b>	76%
Mlekoma Dairy Sp. z o.o. (**)	Associate	Dairy products	Poland	<b>37%</b>	37%

(\*) Remaining equity interest is beneficially held through parties nominated by the Company.

(\*\*) These entities together are referred to as "Mlekoma group".

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

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**6. EARNINGS PER SHARE (EPS)**

The calculation of the basic and diluted earnings per share is as follows:

	<b>Three-month period ended December 31,</b>		<b>Nine-month period ended December 31,</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit attributable to equity holders of the parent (Saudi Riyals '000')	<b>78,449</b>	53,651	<b>218,328</b>	145,856
The weighted average number of ordinary shares for the purposes of basic and diluted earnings ('000')	<b>32,000</b>	32,000	<b>32,000</b>	32,000
Basic and diluted earnings per share based on profit for the period attributable to equity holders of the parent (Saudi Riyals)	<b>2.45</b>	1.68	<b>6.82</b>	4.56

Basic earnings per share has been computed by dividing the profit attributable to equity holders of the parent by the weighted average number of shares outstanding.

Diluted earnings per share has been computed by dividing the profit attributable to equity holders of the parent by the weighted average number of shares outstanding adjusted for the effects of all dilutive potential ordinary shares. However, in the absence of any convertible shares, the diluted earnings per share do not differ from the basic earnings per share.

**7. PROPERTY, PLANT AND EQUIPMENT**

Reconciliation of carrying amounts:

	<b>December 31, <u>2022</u> (Unaudited)</b>	March 31, <u>2022</u> (Audited)
Carrying amount at beginning of the period / year	<b>935,403</b>	860,729
Additions during the period / year	<b>68,225</b>	166,875
Disposals during the period / year	<b>(84)</b>	(842)
Depreciation charge for the period / year	<b>(78,325)</b>	(89,625)
Exchange differences for the period / year	<b>(1,496)</b>	(1,734)
Carrying amount at the end of the period / year	<b><u>923,723</u></b>	<u>935,403</u>



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**8. LONG TERM INVESTMENT**

During the period ended December 31, 2022, the Group has invested SR 38 million in Tier 1 Sukuks, issued by Al Rajhi Bank, with a face value of SR 1,000 each. The Sukuks carry a mark-up of 5.5% per annum, are classified at amortised cost, and will mature on November 16, 2027.

The Sukuks are listed on Tadawul and are currently actively traded in the market. The fair value of the Sukuks as at December 31, 2022 was SR 100.002 per certificate.

**9. TRADE AND OTHER RECEIVABLES**

Trade and other receivables account comprises:

	<b>December 31, <u>2022</u> (Unaudited)</b>	March 31, <u>2022</u> (Audited)
Trade receivables	256,873	268,511
Less: allowance for impairment loss	<u>(39,734)</u>	<u>(39,190)</u>
Net trade receivables	217,139	229,321
Advances and other receivables	<u>15,310</u>	<u>12,763</u>
	<u><b>232,449</b></u>	<u>242,084</u>

The movement in the allowance for impairment loss is as follows:

	<b>December 31, <u>2022</u> (Unaudited)</b>	March 31, <u>2022</u> (Audited)
Balance at beginning of the period / year	39,190	37,988
Charge for the period / year	<u>544</u>	<u>1,202</u>
Balance at end of the period / year	<u><b>39,734</b></u>	<u>39,190</u>

The management performs ongoing assessments regarding the recoverability of trade and other receivables and provides an allowance for impairment, if needed. The management, based on their assessment, is confident that such amounts, net of the related allowances, are recoverable, considering there is no deterioration in the credit history of customers.

**10. CASH AND CASH EQUIVALENTS**

	<b>December 31, <u>2022</u> (Unaudited)</b>	March 31, <u>2022</u> (Audited)
Cash in hand	7,442	4,524
Cash at banks - current accounts	56,093	87,655
Murabaha short-term bank deposits	<u>312,301</u>	<u>533,783</u>
	<u><b>375,836</b></u>	<u>625,962</u>

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#### 11. SHARE CAPITAL

At December 31, 2022, the authorized, issued, and paid-up share capital of SR 325 million consists of 32.5 million fully paid shares of SR 10 each (March 31, 2022: SR 325 million consists of 32.5 million shares of SR 10 each).

On November 23, 2022, one of the major shareholders, Al Qurain Petrochemicals Industries Company ("QPIC") agreed to sell its entire shareholding of 13.03 million shares (representing 40.11% of the total share capital of the Group) to Kuwait Projects Company Holding ("KIPCO"), for which the legal formalities are still underway.

#### 12. FINANCE COSTS

	<b>December 31, 2022 (Unaudited)</b>	December 31, 2021 (Unaudited)
Net changes in fair value of non-controlling interest put option (Note 12.1)	<b>38,754</b>	623
Finance cost on lease liabilities	<b>1,930</b>	1,945
Others	<b>11,550</b>	2,315
	<b><u>52,234</u></b>	<u>4,883</u>

**12.1** The non-controlling interest put option is a binding, irrevocable option to acquire from the non-controlling interest equity holders their remaining shareholding at the expiry date of the option i.e. fifth year of the completion date, in accordance with terms of the sales and purchase agreement ("SPA"). The put option available to the non-controlling interest equity holders is exercisable within a period of 15 business days from the expiry date of the option. The redemption value is recognised as higher of the purchase price as per the SPA or determined by applying the earnings multiplier to the audited EBITDA of the financial year 2022 of Mlekoma group as reduced by net debt in accordance with the SPA.

#### 13. ACCRUED ZAKAT AND INCOME TAX

##### a) Charge for the period

Zakat and income tax for the period ended comprise the following:

	<b>December 31, 2022 (Unaudited)</b>	December 31, 2021 (Unaudited)
Zakat	<b>17,465</b>	16,728
Income tax	<b>--</b>	--
Charge for the period	<b><u>17,465</u></b>	<u>16,728</u>

Zakat is payable at the rate of 2.5% of higher of Zakat base and adjusted net income / (losses) for the period.

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**13. ACCRUED ZAKAT AND INCOME TAX (continued)**

**b) Accrued zakat and income tax**

The movement in the accrued Zakat and income tax during the period / year is analysed as under:

	<u>Zakat</u>	<u>Income tax</u>	<u>Total</u>
At April 1, 2021	22,222	--	22,222
Charge for the year	22,609	2,613	25,222
Payments during the year	(22,750)	(2,613)	(25,363)
At March 31, 2022 (Audited)	22,081	--	22,081
<b>At April 1, 2022</b>	22,081	--	22,081
Charge during the period	17,465	--	17,465
Payments during the period	(21,644)	--	(21,644)
<b>At December 31, 2022 (Unaudited)</b>	<b>17,902</b>	<b>--</b>	<b>17,902</b>

**c) Status of assessments**

The Group has filed the Zakat return for the year ended March 31, 2022 and received the zakat certificate valid until July 31, 2023. Assessments for the years up to the year ended March 31, 2022 have been finalized with the Zakat, Tax and Customs Authority (ZATCA).

ZATCA is yet to issue its final assessments for years 2021 and 2022.

**14. RELATED PARTY TRANSACTIONS AND BALANCES**

**14.1 Transactions and balances with related parties**

The Group, in the normal course of business, enters into transactions with other entities that fall within the definition of a related party contained in International Accounting Standard 24. Related parties comprise of the shareholders of the Group, being parent Companies, their subsidiaries and associates, and other companies with common directorship with significant influence on other companies and key management personnel. Transactions with related parties arise mainly from goods/services received and various business arrangements undertaken at approved contractual terms.

a) Affiliates of the Group include entities that are subsidiaries and associates of KIPCO Group.

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**14. RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

**14.1 Transactions and balances with related parties (continued)**

b) Due to related parties - significant transactions and balances:

<u>Name</u>	<u>Nature of transaction</u>	<u>Amount of transactions</u>				<u>Due to related parties</u>	
		<u>Three-month period ended December 31,</u>		<u>Nine-month period ended December 31,</u>		<u>December</u>	<u>March 31,</u>
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>31, 2022</u>	<u>2022</u>
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Un-audited)	(Audited)
Buruj Cooperative Insurance Company (affiliate) (*)	Insurance premium	4,217	3,440	9,058	9,069	1,707	1403
PKC Advisory (affiliate)	Consultancy services	265	156	571	779	--	--
AXA GIG SAUDI (affiliate)	Insurance premium	23	--	35	--	23	--
Alternative Energy Projects Co. (affiliate)	Purchase of solar energy systems	--	--	--	1,637	--	--
						<u>1,730</u>	<u>1,403</u>

(\*) These transactions represent the insurance premium expense net of any claims received from Buruj Cooperative Insurance Company.

**14.2 Remuneration**

<u>Name</u>	<u>Nature of transactions</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
		(Unaudited)	(Unaudited)
Key management personnel	Short term employee benefits	7,602	8,557
	End of service benefits	439	617
Board of Directors	Directors' fees	2,700	2,700
		<u>10,741</u>	<u>11,874</u>

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**15. FINANCIAL INSTRUMENTS**

**15.1 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the condensed consolidated interim financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the condensed consolidated interim financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.



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**15. FINANCIAL INSTRUMENTS (continued)**

**15.2 Financial instruments carried at fair value**

*a) Valuation techniques used to determine fair values*

Specific valuation techniques used to value financial instruments include:

- For non-controlling interest put option present value of the redemption amount.
- Derivative financial instruments are measured at fair value through profit or loss.

*b) Derivative financial instruments*

The Group's Polish subsidiaries entered into multiple foreign currency forward contracts to cover the volatility in foreign currency transactions. At December 31, 2022, the Group had 4 (March 31, 2022: 55) foreign currency forward contracts in place with a total notional amount of SR 7.3 million (March 31, 2022: SR 80.55 million) and net negative carrying amount of SR 0.03 million (March 31, 2022: SR 0.51 million). Net realized loss on matured foreign currency forwards recognised during the three-month and nine-month periods ended in the condensed consolidated interim statement of profit or loss amounted to SR 1.8 million (three-month period ended December 31, 2021: Saudi Riyals 0.64 million) and SR 3.9 million (nine-month period ended December 31, 2021: Saudi Riyals 1.16 million), respectively. All these contracts have been classified as 'held for trading' for accounting purposes under current liabilities and designated as level 2 in the condensed consolidated interim financial statements. The Group relies on the counterparty for the valuation of these derivatives.

The analysis of derivative financial instruments and the related fair values, together with the notional amounts classified by the term to maturity as at December 31, 2022 is as follows:

	<u>Positive fair value</u>	<u>Negative fair value</u>	<u>Notional amount</u>	<u>Notional amounts by term to maturity</u>			
				<u>Within 3 months</u>	<u>3 to 12 months</u>	<u>1 - 5 years</u>	<u>Over 5 years</u>
<i>Foreign currency forwards</i>							
As at December 31, 2022	--	29	7,300	7,300	--	--	--
As at March 31, 2022	1,136	1,339	80,552	35,770	44,782	--	--

The maturities of the foreign currency forwards are less than 3 months as at December 31, 2022.

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**15. FINANCIAL INSTRUMENTS (continued)**

**15.3 Categories of financial assets and liabilities**

The below table shows carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

<b><u>December 31, 2022 (Unaudited)</u></b>	<b><u>Carrying value</u></b>	<b><u>Fair value</u></b>			<b><u>Total</u></b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
<b>Non-Derivative Financial Assets</b>					
<b>Financial assets at amortised cost</b>					
Long term investment	38,862	38,870	--	--	--
Short term investment	258,000	--	--	--	--
Trade and other receivables	232,449	--	--	--	--
Security and other deposits	4,838	--	--	--	--
Cash and cash equivalents	375,836	--	--	--	--
<b>Total financial assets</b>	<b>909,985</b>	<b>38,870</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Non-Derivative Financial Liabilities</b>					
<b>Financial liabilities at amortised cost</b>					
Trade and other payables	165,767	--	--	--	--
Accruals and other liabilities	323,163	--	--	--	--
Lease liabilities	56,517	--	--	--	--
Dividends payable	3,387	--	--	--	--
Due to related parties	1,730	--	--	--	--
	550,564	--	--	--	--
<b>Financial liabilities at fair value through profit or loss</b>					
Non-controlling interest put option	63,371	--	--	63,371	63,371
	63,371	--	--	63,371	63,371
<b>Derivative Financial Liabilities</b>					
<b>Financial liabilities at fair value through profit or loss</b>					
Foreign currency forwards	29	--	29	--	29
<b>Total financial liabilities</b>	<b>613,964</b>	<b>--</b>	<b>29</b>	<b>63,371</b>	<b>63,400</b>

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**15. FINANCIAL INSTRUMENTS (continued)**

**15.3 Categories of financial assets and liabilities (continued)**

<u>March 31, 2022</u> (Audited)	<u>Carrying value</u>	<u>Fair value</u>			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
<b>Non-Derivative Financial Assets</b>					
<b>Financial assets at amortised cost</b>					
Trade and other receivables	242,084	--	--	--	--
Security and other deposits	4,433	--	--	--	--
Cash and cash equivalents	<u>625,962</u>	--	--	--	--
<b>Total financial assets</b>	<b>872,479</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Non-Derivative Financial Liabilities</b>					
<b>Financial liabilities at amortised cost</b>					
Trade and other payables	191,501	--	--	--	--
Accruals and other liabilities	272,244	--	--	--	--
Lease liabilities	66,633	--	--	--	--
Dividends payable	3,176	--	--	--	--
Due to related parties	<u>1,403</u>	--	--	--	--
	<b>534,957</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Financial liabilities at fair value through profit or loss</b>					
Non-controlling interest put option	<u>24,229</u>	--	--	<u>24,229</u>	<u>24,229</u>
	<b>24,229</b>	<b>--</b>	<b>--</b>	<b>24,229</b>	<b>24,229</b>
<b>Derivative Financial Liabilities</b>					
<b>Financial liabilities at fair value through profit or loss</b>					
Foreign currency forwards	<u>511</u>	--	<u>511</u>	--	<u>511</u>
<b>Total financial liabilities</b>	<b><u>559,697</u></b>	<b><u>--</u></b>	<b><u>511</u></b>	<b><u>24,229</u></b>	<b><u>24,740</u></b>

**16. COMMITMENTS AND CONTINGENCIES**

In addition to contingencies disclosed in note 13, below are the commitments and contingencies of the Group:

- a) As at December 31, 2022, the Group has outstanding commitments for future capital expenditures amounting to SR 43.5 million (March 31, 2022: SR 42.2 million).
- b) As at December 31, 2022, the Group has contingent liabilities of SR 1.4 million (March 31, 2022: SR 1.4 million) in respect of guarantees issued for various business needs.

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#### **17. OTHER RESERVES**

In the prior years, the shareholders decided to create a voluntary reserve by transferring ten percent from the profit attributable to equity shareholders of SADAFCO, to the reserve. The utilization of this reserve is at the discretion of the shareholders. In the current period, a transfer has been made to the voluntary reserve.

#### **18. DIVIDENDS**

The shareholders in their Annual General Assembly meeting held on June 28, 2022 approved the distribution of dividends at SR 3 per share, amounting to SR 96 million (nine-month period ended December 31, 2021: SR 96 million).

#### **19. SUBSEQUENT EVENTS**

The Board of directors of the Group in their meeting held on January 03, 2023 approved the distribution of dividends at SR 3 per share, amounting to SR 96 million. The condensed consolidated interim financial statements for the period ended December 31, 2022, do not include the effect of these appropriations which will be accounted for in the annual consolidated financial statements for the year ending March 31, 2023.

#### **20. AUTHORIZATION OF FINANCIAL INFORMATION**

The condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors of Group on 24 January 2023, corresponding to 2 Rajab 1444H.