

Widam Food Company Q.P.S.C.

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

**AS AT AND FOR THE SIX MONTHS
PERIOD ENDED 30 JUNE 2024**

Widam Food Company Q.P.S.C.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the six months period ended 30 June 2024

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**INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF WIDAM
FOOD COMPANY Q.P.S.C.**

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Widam Food Company Q.P.S.C (the "Company") and its subsidiary (referred to as "Group") as at 30 June 2024, which comprise the interim consolidated statement of financial position as at 30 June 2024 and the related interim consolidated statement of profit or loss and other comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six-months period then ended and the related explanatory notes.

The Board of Directors is responsible for the preparation and presentation of this condensed interim consolidated financial statements in accordance with IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these condensed interim consolidated 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". A review of interim financial statements 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 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.

Basis for qualified conclusion

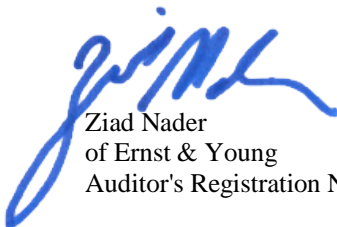
As disclosed in Note 5 to the condensed interim consolidated financial statements, the financial information of the subsidiary, Widam Food Limited, has been included in these condensed interim consolidated financial statements based on the management accounts certified by the management and have not been reviewed by an independent auditor. The total assets, total liabilities and total net loss as at and for the six-months period ended 30 June 2024 of the subsidiary amounted to QR 3,040,201, QR 6,622,131 and QR 3,831,898, respectively. Had the financial information of the subsidiary been reviewed by an independent auditor, matters may have come to our attention indicating possible adjustments that may be necessary to the condensed interim consolidated financial statements.

Qualified conclusion

Based on our review, except for the possible effects of the matter referred in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting ("IAS 34").

Other matter

The financial statements of the Group for the year ended 31 December 2023 were audited and the interim financial statements as for the period ended 30 June 2023 were reviewed by another auditor, who expressed an unmodified audit opinion and review conclusion on those financial statements on 25 March 2024 and 13 August 2023, respectively.



Ziad Nader
of Ernst & Young
Auditor's Registration No. 258

Date: 12 August 2024
Doha



Widam Food Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

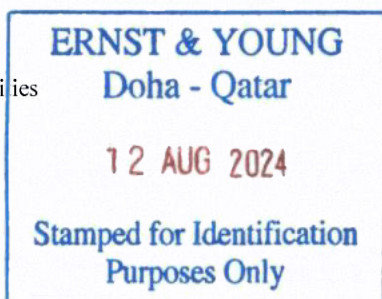
As at 30 June 2024

| | Notes | 30 June 2024 (Reviewed) QR | 31 December 2023 (Audited) QR |
|--|-------|-------------------------------------|--|
| ASSETS | | | |
| Non-current assets | | | |
| Property and equipment | 6 | 37,039,996 | 39,221,196 |
| Intangible assets | | 1,680,940 | - |
| Projects under progress | 7 | 14,553,335 | 16,849,405 |
| Equity investment – FVOCI | 8 | 49,540,060 | 46,536,480 |
| Right-of-use assets | 9 (a) | 106,575,683 | 122,362,484 |
| | | <u>209,390,014</u> | <u>224,969,565</u> |
| Current assets | | | |
| Inventories | | 31,951,720 | 21,424,928 |
| Trade and other receivables | 10 | 214,779,675 | 179,824,699 |
| Cash and bank balances | 11 | 19,625,128 | 87,440,878 |
| | | <u>266,356,523</u> | <u>288,690,505</u> |
| Total assets | | <u>475,746,537</u> | <u>513,660,070</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 12 | 180,000,000 | 180,000,000 |
| Legal reserve | | 88,972,992 | 88,972,992 |
| Fair value reserve | | 11,139,860 | 8,136,280 |
| Foreign currency translation reserve | | (42,414,494) | (44,312,478) |
| Accumulated losses | | (77,084,316) | (80,186,148) |
| Total equity | | <u>160,614,042</u> | <u>152,610,646</u> |
| Non-current liabilities | | | |
| Provision for employees' end of service benefits | | 15,139,182 | 13,483,533 |
| Lease liabilities | 9 (b) | 112,957,230 | 123,759,634 |
| | | <u>128,096,412</u> | <u>137,243,167</u> |
| Current liabilities | | | |
| Lease liabilities | 9 (b) | 10,790,577 | 8,076,501 |
| Islamic financing credit facilities | 13 | 57,436,909 | 106,104,125 |
| Trade and other payables | | 118,808,597 | 109,625,631 |
| | | <u>187,036,083</u> | <u>223,806,257</u> |
| Total liabilities | | <u>315,132,495</u> | <u>361,049,424</u> |
| Total equity and liabilities | | <u>475,746,537</u> | <u>513,660,070</u> |

These condensed interim consolidated financial statements were approved by the Board of Directors and signed on its behalf by the following on 12 August 2024

Faisal A-Wahid A Al-Hamadi
Chairman – Board of Directors

AlNoubay Salem Al-Marri
Chief Executive Officer



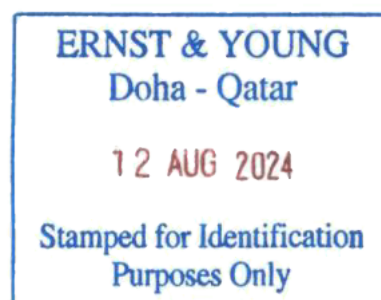
The attached notes 1 to 19 form part of these condensed interim consolidated financial statements.

Widam Food Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

For the six months period ended 30 June 2024

| | Notes | <i>For the six months period ended</i> | |
|---|-------|---|---|
| | | <i>30 June 2024</i> <i>(Reviewed)</i> <i>QR</i> | <i>30 June 2023</i> <i>(Reviewed)</i> <i>QR</i> |
| Revenue | 14 | 391,115,286 | 281,187,844 |
| Cost of sales | | (368,462,654) | (292,666,176) |
| Gross profit / (loss) | | 22,652,632 | (11,478,332) |
| Other income | | 27,059,643 | 6,465,833 |
| General and administrative expenses | | (42,026,218) | (24,964,432) |
| Operating profit / (loss) | | 7,686,057 | (29,976,931) |
| Income from call accounts and bank deposits | | 476,058 | 125,819 |
| Finance cost | | (5,060,283) | (5,827,781) |
| Profit / (loss) for the period | | 3,101,832 | (35,678,893) |
| Other comprehensive income / (loss): | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | |
| Foreign operation - Foreign currency translation differences | | 1,897,984 | (1,013,431) |
| <i>Items that will not be reclassified to profit or loss:</i> | | | |
| Financial assets at FVOCI - net change in fair value | | 3,003,580 | (3,840,020) |
| Total comprehensive income / (loss) for the period | | 8,003,396 | (40,532,344) |
| Earnings per share | | | |
| Basic and diluted earnings per share | 15 | 0.02 | (0.20) |

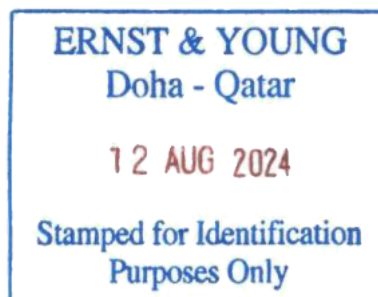


Widam Food Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended 30 June 2023

| | <i>Share capital QR</i> | <i>Legal reserve QR</i> | <i>Fair value reserve QR</i> | <i>Foreign currency translation reserve QR</i> | <i>Accumulated losses QR</i> | <i>Total QR</i> |
|---|---------------------------------|---------------------------------|--------------------------------------|--|--------------------------------------|---------------------|
| At 1 January 2023 (audited) | 180,000,000 | 88,972,992 | 19,808,420 | (48,035,809) | (46,630,186) | 194,115,417 |
| <i>Total comprehensive loss:</i> | | | | | | |
| Loss for the period | - | - | - | - | (35,678,893) | (35,678,893) |
| Other comprehensive loss | - | - | (3,840,020) | (1,013,431) | - | (4,853,451) |
| Total comprehensive loss for the period | - | - | (3,840,020) | (1,013,431) | (35,678,893) | (40,532,344) |
| At 30 June 2023 (reviewed) | <u>180,000,000</u> | <u>88,972,992</u> | <u>15,968,400</u> | <u>(49,049,240)</u> | <u>(82,309,079)</u> | <u>153,583,073</u> |
| At 1 January 2024 (audited) | 180,000,000 | 88,972,992 | 8,136,280 | (44,312,478) | (80,186,148) | 152,610,646 |
| <i>Total comprehensive income:</i> | | | | | | |
| Profit for the period | - | - | - | - | 3,101,832 | 3,101,832 |
| Other comprehensive income | - | - | 3,003,580 | 1,897,984 | - | 4,901,564 |
| Total comprehensive income for the period | - | - | 3,003,580 | 1,897,984 | 3,101,832 | 8,003,396 |
| At 30 June 2024 (reviewed) | <u>180,000,000</u> | <u>88,972,992</u> | <u>11,139,860</u> | <u>(42,414,494)</u> | <u>(77,084,316)</u> | <u>160,614,042</u> |



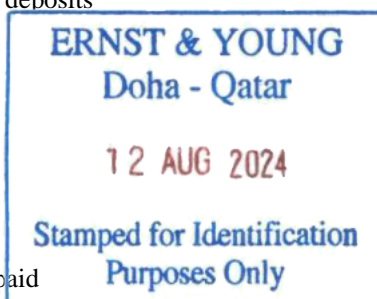
The attached notes 1 to 19 form part of these condensed interim consolidated financial statements.

Widam Food Company Q.P.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASHFLOWS

For the six months period ended 30 June 2024

| | Notes | <i>For the six months period ended</i> | |
|---|-------|---|---|
| | | <i>30 June 2024</i> <i>(Reviewed)</i> <i>QR</i> | <i>30 June 2023</i> <i>(Reviewed)</i> <i>QR</i> |
| Cash flows from operating activities | | | |
| Profit / (loss) for the period | | 3,101,832 | (35,678,893) |
| <i>Adjustments for:</i> | | | |
| Provision for expected credit loss against trade receivables | | 7,361,273 | 469,847 |
| Depreciation of property and equipment | | 3,159,138 | 3,121,863 |
| Amortization of intangible assets | | 176,901 | - |
| Depreciation of right-of-use of assets | 9 (a) | 5,651,194 | 6,275,357 |
| Gain on lease termination | 9 (a) | (39,792) | (4,117,219) |
| Write-off of projects under progress | 7 | 604,729 | - |
| Finance cost on lease liabilities | 9 (b) | 3,188,718 | 3,773,497 |
| Finance cost on Islamic financing credit facilities | | 1,871,565 | 2,054,284 |
| Provision for employees' end of service benefits | | 2,057,470 | 898,417 |
| Income from call accounts and bank deposits | | (476,058) | (125,819) |
| | | 26,656,970 | (23,328,666) |
| <i>Changes in:</i> | | | |
| - inventory | | (10,526,792) | 35,094,782 |
| - trade and other receivables | | (42,316,249) | (78,414,075) |
| - trade and other payables | | 9,182,966 | 27,395,028 |
| Cash used in operations | | (17,003,105) | (39,252,931) |
| Employees' end of service benefits paid | | (401,821) | (279,208) |
| Finance cost paid on lease liabilities | | (609,875) | (742,640) |
| Finance cost paid on Islamic financing credit facilities | | (1,871,565) | (2,054,284) |
| Net cash used in operating activities | | (19,886,366) | (42,329,063) |
| Cash flows from investing activities | | | |
| Acquisition of property and equipment | 6 | (977,938) | (2,146,796) |
| Acquisition of intangible assets | | (166,500) | - |
| Income from call accounts and bank deposits | | 476,058 | 125,819 |
| Net cash used in investing activities | | (668,380) | (2,020,977) |
| Cash flows from financing activities | | | |
| Addition in Islamic financing credit facilities | | 84,598,067 | 194,899,092 |
| Repayment of Islamic financing credit facilities | | (133,265,283) | (122,941,636) |
| Payment of lease liabilities | | (491,772) | (3,674,331) |
| Net cash (used in) / from financing activities | | (49,158,988) | 68,283,125 |
| Net (decrease) / increase in cash and cash equivalents during the period | | (69,713,734) | 23,933,085 |
| Cash and cash equivalents at the beginning of the period | | 87,440,878 | 5,036,200 |
| Net translation differences | | 1,897,984 | (1,013,431) |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | 19,625,128 | 27,955,854 |



The attached notes 1 to 19 form part of these condensed interim consolidated financial statements.

Widam Food Company Q.P.S.C.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the six months period ended 30 June 2024

1 REPORTING ENTITY

Widam Food Company Q.P.S.C. (the “Company”) was incorporated in accordance with the Resolution No. 75 of 2003 issued by the Minister of Economy and Finance of the State of Qatar as a Qatari Public Shareholding Company, and was registered at the Ministry of Economy and Commerce of the State of Qatar with the Commercial Registration No. 26911 dated 16 December 2003. The Company is domiciled in the State of Qatar, where it also has its principal place of business. Its registered office is at fifth floor, Al Shamoukh Tower, Al Saad, Doha.

The Company’s principal activities include the import and trade of livestock, meat and feeds. In addition the Company is engaged in the slaughter of sheep and cattle and supplying the local market with fresh meat and related products.

The condensed interim consolidated financial statements comprise the interim condensed financial statements of Widam Food Company Q.P.S.C, its subsidiary and branch (referred to as “Group”) as follows:

| | <i>Incorporation</i> | <i>Effective % of ownership</i> | |
|--------------------|----------------------|---------------------------------|-----------------------------|
| | | <i>30 June 2024</i> | <i>31 December 2023</i> |
| Subsidiary | | | |
| Widam Food Limited | Republic of Tanzania | 99% | 99% |
| Branch | | | |
| Widam Food Company | Republic of Sudan | 100% | 100% |

The condensed interim consolidated financial statements of the Group were authorised for issue by the Board of Directors on 12 August 2024.

2 BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group are prepared in accordance with International Accounting Standard (IAS 34), “Interim Financial Reporting” and have been presented in Qatari Riyals (QR) unless otherwise mentioned, which is the Company’s functional and presentation currency.

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 were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023. All material intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated on consolidation.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2023. In addition, the results for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

3 USE OF JUDGEMENTS AND ESTIMATES

In preparing these condensed interim consolidated financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the latest annual financial statements.

Measurement of fair values

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Widam Food Company Q.P.S.C.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the six months period ended 30 June 2024

3 USE OF JUDGEMENTS AND ESTIMATES (CONTINUED)

Measurement of fair values (continued)

- Level 1: Quoted market price (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4 MATERIAL ACCOUNTING POLICIES

The accounting policies applied in these condensed interim consolidated financial statements are the same as those applied in the Group's annual financial statements as at and for the year ended 31 December 2023 except for the below:

New and amended standards and interpretations adopted by the Company

| <i>Description</i> | <i>Effective from</i> |
|---|-----------------------|
| 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 |

The adoption of new and amended standards and interpretations do not have a material impact on the condensed interim consolidated financial statements of the Group.

Standards, amendments and interpretation issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's condensed interim consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

| <i>Description</i> | <i>Effective from</i> |
|--|-----------------------|
| Lack of Exchangeability – Amendments to IAS 21 | 1 January 2025 |
| Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 | 1 January 2026 |
| IFRS 18, Presentation and Disclosure in Financial Statements | 1 January 2027 |
| Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 | Deferred indefinitely |

Management does not expect that the adoption of the above new and amended standards will have a significant impact on the Group's condensed interim consolidated financial statements.

5 BUSINESS COMBINATION

In July 2022, Mr. Abdullah Abud Mohamed and Mr. Gevin Ong'era incorporated Maqbul Meat Export and Suppliers Limited ("Maqbul Meat Export") in the Republic of Tanzania. Subsequently, on 5 September 2022, the Board of Directors of Widam Food Company Q.P.S.C. passed the Resolution No. 3 of 2022 regarding the approval of acquisition of Maqbul Meat Export. Following the Board of Directors approval, on 5 December 2022, the Company has entered into a share purchase agreement with Mr. Abdullah Abud Mohamed and Mr. Gevin Ong'era (shareholders of Maqbul Meat Export) to acquire the 99% shareholding of Maqbul Meat Export for a total consideration of TZS 100 million (QR 156,403). As at the acquisition date, Maqbul Meat Export had no operations. The Company changed the business name of Maqbul Meat Export and Suppliers Limited to Widam Food Limited on 23 August 2023.

Widam Food Company Q.P.S.C.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the six months period ended 30 June 2024

5 BUSINESS COMBINATION (CONTINUED)

Assets acquired and liabilities assumed

| | <i>Amount (QR)</i> |
|---|------------------------|
| Receivable from shareholders | <u>156,403</u> |
| Total identifiable net assets at fair value | <u>156,403</u> |
| Less: Purchase consideration | <u>(156,403)</u> |
| Goodwill | <u>-</u> |

As at and for the period ended 30 June 2024, the following table shows the financial information of Widam Food Limited included in the condensed interim consolidated financial statements which is based on management account certified by management and have not been reviewed by an independent auditor.

Statement of Financial Position

| | <i>30 June 2024 QR</i> |
|-------------------------------------|----------------------------|
| ASSETS | |
| Non-current assets | |
| Property and equipment | 418,644 |
| Right-of-use assets | <u>11,636</u> |
| | <u>430,280</u> |
| Current assets | |
| Trade and other receivables | 1,203,828 |
| Cash and bank balances | <u>1,406,093</u> |
| | <u>2,609,921</u> |
| Total assets | <u>3,040,201</u> |
| EQUITY AND LIABILITIES | |
| Equity | |
| Share capital | 156,403 |
| Translation reserve | 93,565 |
| Accumulated losses | <u>(3,831,898)</u> |
| Total deficit | <u>(3,581,930)</u> |
| Current liabilities | |
| Due to Parent Company | 6,613,959 |
| Trade and other payables | <u>8,172</u> |
| | <u>6,622,131</u> |
| Total equity and liabilities | <u>3,040,201</u> |

Statement of comprehensive income

| | <i>For the period ended 30 June 2024 QR</i> |
|--|---|
| Revenue | 20,820,399 |
| Cost of sales | <u>(21,564,850)</u> |
| Gross loss | <u>(744,451)</u> |
| General and administrative expenses | <u>(3,087,447)</u> |
| Total comprehensive loss for the period | <u>(3,831,898)</u> |

Widam Food Company Q.P.S.C.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the six months period ended 30 June 2024

6 PROPERTY AND EQUIPMENT

Acquisitions

During the six months period ended 30 June 2024, the Group acquired assets with a cost of QR 977,938 (six-months ended 30 June 2023: QR 2,146,796).

Disposals and write-offs

There were no disposals and write-offs of property and equipment during the period.

7 PROJECTS UNDER PROGRESS

Projects under progress balances at the end of the period / year were as follows:

| | 30 June 2024 (Reviewed) QR | 31 December 2023 (Audited) QR |
|---|---|--|
| Local projects | | |
| Al Shahaniya slaughter house (1) | 12,931,335 | 12,931,335 |
| Abu Nakhla camel slaughter house (2) | 1,622,000 | 1,622,000 |
| Mobile app for sales (3) | - | 298,000 |
| Oracle fusion (3) | - | 1,998,070 |
| | 14,553,335 | 16,849,405 |
| Foreign projects | | |
| Sudan farm project (4) | 2,384,242 | 2,384,242 |
| Slaughterhouse Omdurman – Sudan (5) | 4,774,689 | 4,774,689 |
| Australia farm project (4) | 460,706 | 460,706 |
| Sudan branch project (4) | 245,934 | 245,934 |
| Qatar meat factory (4) | 147,964 | 147,964 |
| | 8,013,535 | 8,013,535 |
| Impairment on foreign projects under progress | (8,013,535) | (8,013,535) |
| | - | - |
| | 14,553,335 | 16,849,405 |

- (1) The Group had started construction of a slaughter house in Al Shahniyah area of State of Qatar in 2022. The Group is awaiting clearances from local authorities after which the slaughter house will be capitalised under property and equipment.
- (2) In the prior year, the Group had started construction of a new camel slaughter house in Abu Nakhla area of State of Qatar. The Group is awaiting clearances from local authorities after which the slaughter house will be capitalised under property and equipment.
- (3) The Group has started the implementation of mobile app for sales and Oracle fusion projects during the six-months period ended 30 June 2024. Accordingly, it has capitalized the costs of QR 1,680,940 in the intangible assets account and the remaining amount of QR 604,729 was written-off and recognized in general and administrative expense in the interim consolidated statement of profit or loss and other comprehensive income.
- (4) The Group invested in a number of projects related to building new slaughterhouses in some foreign countries. The work on these projects has been discontinued in 2011 based on the decision of the Government of Qatar during the prior years.
- (5) In the previous period, the Group's branch in Sudan has started construction of additional barns to support the expanding operations of the Branch.

Widam Food Company Q.P.S.C.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the six months period ended 30 June 2024

8 EQUITY INVESTMENT - FVOCI

| | <i>30 June 2024 (Reviewed) QR</i> | <i>31 December 2023 (Audited) QR</i> |
|---------------------------------|---|--|
| Quoted shares in Qatar Exchange | <u>49,540,060</u> | <u>46,536,480</u> |
| | <u>49,540,060</u> | <u>46,536,480</u> |

9 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

a) Right-of-use assets

The right-of-use assets relate to office premises, properties used for slaughterhouses and shops for meat sale. The Group entered into these lease agreements in previous years as combined leases of land and building.

The following amounts are included in the right-of-use assets in the interim consolidated statement of financial position and cost of sales and general and administrative expenses in the interim consolidated statement of profit or loss and other comprehensive income:

| | <i>30 June 2024 (Reviewed) QR</i> | <i>31 December 2023 (Audited) QR</i> |
|---------------------------------|---|--|
| Cost | | |
| As at 1 January | 172,261,048 | 167,907,967 |
| Additions | 2,982,884 | 5,336,425 |
| Derecognition (i) | (125,301) | (983,344) |
| Modification (i) | (12,993,190) | - |
| At 30 June / 31 December | <u>162,125,441</u> | <u>172,261,048</u> |
| | <i>30 June 2024 (Reviewed) QR</i> | <i>31 December 2023 (Audited) QR</i> |
| Accumulated depreciation | | |
| At 1 January | 49,898,564 | 37,323,631 |
| Depreciation | 5,651,194 | 12,574,933 |
| At 30 June / 31 December | <u>55,549,758</u> | <u>49,898,564</u> |
| Carrying amounts | <u>106,575,683</u> | <u>122,362,484</u> |

- (i) The derecognition pertains to the lease property at Al Saliya Butchery which was terminated during the interim period ended 30 June 2024. Meanwhile, the lease modification includes the change in scope in Al Muither Butchery and lease concessions received relating to Al Wakra slaughterhouse and Um Salal slaughterhouse. These transactions resulted in a gain amounting to QR 39,792 which is recorded under other income in the interim consolidated statement of profit or loss and other comprehensive income.

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9 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

b) Lease liabilities

The movements of finance lease liabilities were as follows:

| | <i>30 June 2024 (Reviewed) QR</i> | <i>31 December 2023 (Audited) QR</i> |
|--------------------------|---|--|
| At 1 January | 131,836,135 | 137,235,018 |
| Additions | 2,982,884 | 5,336,423 |
| Payments | (1,101,647) | (8,924,165) |
| Finance cost | 3,188,718 | 7,451,642 |
| Derecognition (9.a (i)) | (130,799) | (1,000,565) |
| Modification (9.a (i)) | (13,027,484) | (8,262,218) |
| | <u>123,747,807</u> | <u>131,836,135</u> |
| At 30 June / 31 December | <u>123,747,807</u> | <u>131,836,135</u> |

The finance lease liabilities are presented in the interim consolidated statement of financial position as follows:

| | <i>30 June 2024 (Reviewed) QR</i> | <i>31 December 2023 (Audited) QR</i> |
|--------------------------|---|--|
| Non-current | 112,957,230 | 123,759,634 |
| Current | 10,790,577 | 8,076,501 |
| | <u>123,747,807</u> | <u>131,836,135</u> |
| At 30 June / 31 December | <u>123,747,807</u> | <u>131,836,135</u> |

10 TRADE AND OTHER RECEIVABLES

| | <i>30 June 2024 (Reviewed) QR</i> | <i>31 December 2023 (Audited) QR</i> |
|--|---|--|
| Trade receivables | 130,268,300 | 112,274,551 |
| Less: allowance for expected credit loss (1) | (50,675,290) | (43,314,017) |
| Trade receivable, net | 79,593,010 | 68,960,534 |
| Compensation receivable from the Government of Qatar (2) | 30,788,694 | 395,833 |
| Advances made to suppliers | 96,755,468 | 103,418,983 |
| Receivable against project (3) | - | 4,442,919 |
| Staff receivables | 4,964,595 | 4,997,725 |
| Prepayments | 2,339,267 | 556,037 |
| Other receivables | 4,945,397 | 1,659,424 |
| | 219,386,431 | 184,431,455 |
| Less: Allowance for staff receivable (4) | (4,606,756) | (4,606,756) |
| | <u>214,779,675</u> | <u>179,824,699</u> |

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10 TRADE AND OTHER RECEIVABLES

- (1) The movement of allowance for expected credit loss during the period/year is as follows:

| | 30 June 2024 (Reviewed) QR | 31 December 2023 (Audited) QR |
|-----------------------------------|---|--|
| Opening balance | 43,314,017 | 9,847,305 |
| Provided during the period / year | <u>7,361,273</u> | <u>33,466,712</u> |
| Closing balance | <u>50,675,290</u> | <u>43,314,017</u> |

- (2) The Government of State of Qatar compensates the Group with fixed amount of QR 700 per sheep sold during the month of Ramadan and QR 800 per sheep sold during Eid-ul-Adha to Qatari locals only.
- (3) These receivables represent the cost related to the Umm – Al Ouina Project termination in prior years. The Group raised a legal case against the project's contractor claiming a compensation for the delay in completing the project. On 16 February 2010, the Court of Cassation issued a final judgement in favour of the Group to receive a compensation amounting to QR 15 million from the contractor. However, the compensation was not received. Accordingly, the Group raised a case against the Ministry of Municipality and Environment claiming a compensation of QR 24 million for the total cost incurred on this project. The Court of Cassation issued a final judgement dated 17 October 2017 in favour of the Group to receive a compensation amounting to QR 18 million and to pay rent commitment amounting to QR 6 million To the Ministry of Municipality. During the year ended 31 December 2018, the Group received a compensation amounting to QR 8.5 million from the total amount due from the Ministry of Municipality and Environment. During the year ended 31 December 2023, management has carried out a reassessment of the recoverability of the amount receivable and recorded provisions representing management's best estimate of the recoverability of this balance and the Group still following up an executive decision with the Ministry of Municipality to pay for the remaining amount of 4.4 million. During the period ended 30 June 2024, the full amount was collected.
- (4) An allowance amounting to QR 4,606,756 as at 30 June 2024 (31 December 2023: QR 4,606,756) was provided against the outstanding balance receivable due from the branch manager in Sudan. The Group has also won a court case enforcing the branch manager to pay back QR 2,303,378 to the Group. As at 30 June 2024, no amount is received from him.

11 CASH AND CASH EQUIVALENTS

| | 30 June 2024 (Reviewed) QR | 31 December 2023 (Audited) QR |
|---|---|--|
| Cash in hand | 411,731 | 1,971,909 |
| Cash at bank – current accounts | 11,989,725 | 9,464,538 |
| Cash at bank – call accounts (1) | 7,123,672 | 68,239,011 |
| Cash cover of letter of guarantee | <u>100,000</u> | <u>7,765,420</u> |
| Cash and cash equivalents as presented in the interim consolidated statement of cash flows | <u>19,625,128</u> | <u>87,440,878</u> |

- (1) Call accounts earns average interest of 1% to 1.25% per annum (2023: 0.75% to 1% per annum).

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12 SHARE CAPITAL

| | <i>30 June 2024 (Reviewed) QR</i> | <i>31 December 2023 (Audited) QR</i> |
|--|---|--|
| <i>Authorised, issued and paid up share capital</i> | | |
| 180,000,000 ordinary shares with a par value of QR 1 per share | <u>180,000,000</u> | <u>180,000,000</u> |

13 ISLAMIC FINANCING CREDIT FACILITIES

The details of the Islamic financing credit facilities are as follows:

| | <i>30 June 2024 (Reviewed) QR</i> | <i>31 December 2023 (Audited) QR</i> |
|---------------------------------|---|--|
| Commodity Murabaha (1) | 57,436,909 | 83,633,820 |
| Letter of credit facilities (2) | - | 18,079,691 |
| Commodity Murabaha- Sudan (2) | - | 4,390,614 |
| At 30 June / 31 December | <u>57,436,909</u> | <u>106,104,125</u> |

- (1) During the current year, the Group has obtained commodity murabaha amounting to QR 84,598,067 to finance the purchasing of inventories. The payment term is 3 months grace period and repayment in 3 months equal instalments. Average profit rate for these facilities was 7% during the period ended 30 June 2024.
- (2) These represent import letter of credit facilities obtained by the Group to finance its purchase of inventory and commodity murabaha of Sudan branch to finance the purchasing of inventories. As at 30 June 2024, all these loans have been repaid.

The movements of Islamic financing credit facilities were as follows:

| | <i>30 June 2024 (Reviewed) QR</i> | <i>31 December 2023 (Audited) QR</i> |
|--------------------------------|---|--|
| At 1 January | 106,104,125 | 36,607,424 |
| Additional facilities obtained | 84,598,067 | 252,028,173 |
| Paid during the period / year | (133,265,283) | (182,531,472) |
| Finance costs | 1,871,565 | 6,983,671 |
| Finance costs paid | (1,871,565) | (6,983,671) |
| At 30 June / 31 December | <u>57,436,909</u> | <u>106,104,125</u> |

14 REVENUE

| | <i>30 June 2024 (Reviewed) QR</i> | <i>30 June 2023 (Reviewed) QR</i> |
|---------------------------------------|---|---|
| <i>Timing of revenue recognition</i> | | |
| Revenue recognised at a point in time | <u>391,115,286</u> | <u>281,187,844</u> |
| Revenue from contracts with customers | <u>391,115,286</u> | <u>281,187,844</u> |

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14 REVENUE (CONTINUED)

The breakup of revenue by product type is as follows:

| | <i>30 June 2024 (Reviewed) QR</i> | <i>30 June 2023 (Reviewed) QR</i> |
|--------------------------------|---|---|
| Frozen | 193,554,406 | 97,927,638 |
| Slaughtered (whole) | 109,113,335 | 102,792,687 |
| Chilled | 74,305,758 | 68,306,441 |
| Livestock | 9,877,370 | 6,000,039 |
| Slaughter and cutting services | 1,762,150 | 2,311,725 |
| Produced | 1,731,463 | 2,327,524 |
| Miscellaneous | 770,804 | 1,521,790 |
| | <u>391,115,286</u> | <u>281,187,844</u> |

The breakup of revenue by customer type is as follows:

| | <i>30 June 2024 (Reviewed) QR</i> | <i>30 June 2023 (Reviewed) QR</i> |
|------------|---|---|
| Corporate | 330,872,288 | 187,609,312 |
| Individual | 60,101,126 | 87,555,967 |
| Government | 141,872 | 6,022,565 |
| | <u>391,115,286</u> | <u>281,187,844</u> |

The breakup of revenue by geography is as follows:

| | <i>30 June 2024 (Reviewed) QR</i> | <i>30 June 2023 (Reviewed) QR</i> |
|---------------|---|---|
| Qatar | 260,371,650 | 197,918,796 |
| Outside Qatar | 130,743,636 | 83,269,048 |
| | <u>391,115,286</u> | <u>281,187,844</u> |

15 BASIC AND DILUTED EARNINGS PER SHARE

The basic earnings per share amounts are calculated by dividing the profit/ (loss) for the period by the weighted average number of ordinary shares outstanding during the period.

The basic and diluted earnings per share are the same as there were no dilutive effects on earnings.

| | <i>30 June 2024 (Reviewed) QR</i> | <i>30 June 2023 (Reviewed) QR</i> |
|---|---|---|
| Profit / (loss) for the period | 3,101,832 | (35,678,893) |
| Weighted average number of shares outstanding during the period | 180,000,000 | 180,000,000 |
| Basic and diluted earnings per share | <u>0.02</u> | <u>(0.20)</u> |

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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16 SEGMENT REPORTING

a) Business segments

The Group has only one significant business segment which is the supply of Australian meat, livestock in addition to the related products and activities. All other business segments are not significant.

b) Geographical segments

The Group operates in the State of Qatar, Republic of Tanzania through its subsidiary and Republic of Sudan through its branch. The Group's operations in the Republic of Tanzania and Republic of Sudan are not significant.

17 CONTINGENT LIABILITIES

The Group has liabilities in respect of letters of credit and letters of guarantee arising in the ordinary course of business from which management anticipate that no material liabilities will arise.

| | <i>30 June 2024 (Reviewed) QR</i> | <i>30 June 2023 (Reviewed) QR</i> |
|---------------------|---|---|
| Due within one year | <u>10,851,938</u> | <u>11,630,513</u> |

18 FAIR VALUE MEASUREMENT

The Group's financial assets (trade receivables, compensation receivable from the government of Qatar, staff receivable and other receivable, and cash at bank) and financial liabilities (lease liabilities, Islamic financing credit facilities, and trade and other payables) are measured at amortised cost and not at fair value. Management believes that the carrying values of these financial assets and financial liabilities as at the reporting date are a reasonable approximation of their fair values.

The table below showing the Group's financial and non-financial assets which are measured at fair value as at 30 June 2024 and 31 December 2023:

| | <i>30 June 2024 QR</i> | <i>Level 1 QR</i> | <i>Level 2 QR</i> | <i>Level 3 QR</i> |
|--------------------------------------|------------------------------------|-----------------------|-----------------------|-----------------------|
| <i>Assets measured at fair value</i> | | | | |
| Equity investment – FVOCI | <u>49,540,060</u> | <u>49,540,060</u> | <u>-</u> | <u>-</u> |
| | <i>31 December 2023 QR</i> | <i>Level 1 QR</i> | <i>Level 2 QR</i> | <i>Level 3 QR</i> |
| <i>Assets measured at fair value</i> | | | | |
| Equity investment – FVOCI | <u>46,536,480</u> | <u>46,536,480</u> | <u>-</u> | <u>-</u> |

During the six-month period ended 30 June 2024 and year ended 31 December 2023, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

19 COMPARATIVE FIGURES

The comparative figures presented have been reclassified where necessary to preserve consistency with the current period figures. However, such reclassifications did not have any effect on the net profit or the total equity for the comparative period.