

Al Eid Food Company
K.S.C. (Public)
and its subsidiaries
Kuwait
Interim Condensed Consolidated Financial Information for
The Six Months Ended June 30, 2023
(Unaudited)
with
Review report

Al Eid Food Company
K.S.C. (Public)
and its subsidiaries
Kuwait

Interim Condensed Consolidated Financial Information for
The Six Months Ended June 30, 2023
(Unaudited)
with
Review report

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**The Board of Directors
Al Eid Food Company
K.S.C. (Public)
and its subsidiaries
Kuwait**

Review report on the Interim Condensed Consolidated Financial Information

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Eid Food Company K.S.C. (Public) –“the Parent Company” and its subsidiaries (together referred to as “The Group”) as of June 30, 2023 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended. The Parent company’s Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard No. 34, “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim condensed consolidated financial information 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 condensed consolidated 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 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 interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. 34, “Interim Financial Reporting”.

Report on other legal and regulatory matters

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the accounting books of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of year 2016 and its executive regulations, as amended, or law No. 7 of year 2010 in respect of the establishment of the Capital Market Authority and the organization of securities activity, and its executive regulations, or the Parent Company’s article of incorporation and memorandum of association, as amended, have occurred during the six month period ended June 30, 2023 that might have had a material effect on the business of the Parent Company or on its interim condensed consolidated financial position.



**Ali A. Al Hasawi
License No. 30 (A)
Rödl Middle East
Burgan - International Accountants**

August 13, 2023
Kuwait

Al Eid Food Company
K.S.C. (Public)
and its subsidiaries
Kuwait

Interim condensed consolidated statement of financial position as of June 30, 2023
(Unaudited)

"All amounts are in Kuwaiti Dinar"

| | Note | June 30, 2023 | December 31, 2022 (audited) | June 30, 2022 |
|--------------------------------------------------------------------|------|-------------------|-----------------------------------|-------------------|
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents | | 1,600,959 | 1,715,251 | 1,666,585 |
| Accounts receivable and other debit balances | 4 | 15,745,083 | 15,464,212 | 14,219,548 |
| Inventory | 5 | 14,623,193 | 13,892,792 | 12,784,440 |
| | | <u>31,969,235</u> | <u>31,072,255</u> | <u>28,670,573</u> |
| Non-current assets | | | | |
| Intangible assets | | 129,189 | 138,689 | 122,710 |
| Property and equipment | 7 | 330,839 | 434,223 | 483,957 |
| | | <u>460,028</u> | <u>572,912</u> | <u>606,667</u> |
| Total assets | | <u>32,429,263</u> | <u>31,645,167</u> | <u>29,277,240</u> |
| Liabilities and equity | | | | |
| Current liabilities | | | | |
| Murabaha payables | | 6,232,764 | 7,968,584 | 5,920,792 |
| Accounts payable and other credit balances | 8 | 558,825 | 526,774 | 686,738 |
| | | <u>6,791,589</u> | <u>8,495,358</u> | <u>6,607,530</u> |
| Non-current liabilities | | | | |
| Murabaha payables | | 1,451,825 | - | 593,523 |
| Provision for end of service indemnity | | 419,079 | 395,000 | 391,172 |
| | | <u>1,870,904</u> | <u>395,000</u> | <u>984,695</u> |
| Equity | | | | |
| Share capital | 9 | 18,617,287 | 16,924,807 | 16,924,807 |
| Statutory reserve | | 2,339,522 | 2,339,522 | 2,076,800 |
| Voluntary reserve | | 643,601 | 1,197,508 | 934,786 |
| Foreign currency translation reserve | | (181) | (380) | - |
| Retained earnings | | 1,749,714 | 1,984,814 | 1,529,706 |
| Equity attributable to shareholders of the "parent company" | | <u>23,349,943</u> | <u>22,446,271</u> | <u>21,466,099</u> |
| Non-controlling interests | | 416,827 | 308,538 | 218,916 |
| Total equity | | <u>23,766,770</u> | <u>22,754,809</u> | <u>21,685,015</u> |
| Total liabilities and equity | | <u>32,429,263</u> | <u>31,645,167</u> | <u>29,277,240</u> |



Fahed Saud Al Mutairy
Chairman

Abdullah Saud Al Mutairy
Vice Chairman

The accompanying notes form an integral part of this Interim Condensed Consolidated Financial Information.

Al Eid Food Company
K.S.C. (Public)
and its subsidiaries
Kuwait

Interim condensed consolidated statement of profit or loss for the six months ended June 30, 2023
(Unaudited)

"All amounts are in Kuwaiti Dinars"

| | Note | The three months ended June 30 | | The six months ended June 30 | |
|---------------------------------------------------------------------------------------------|------|-----------------------------------|------------------|---------------------------------|------------------|
| | | 2023 | 2022 | 2023 | 2022 |
| Revenue | | | | | |
| Sales | | 10,396,969 | 9,172,258 | 17,993,090 | 15,778,326 |
| Cost of sales | 10 | (8,662,174) | (7,688,992) | (14,997,395) | (13,241,929) |
| Gross profit of sales | | 1,734,795 | 1,483,266 | 2,995,695 | 2,536,397 |
| Other income | | 47,215 | 43,850 | 108,665 | 102,455 |
| Total revenue | | 1,782,010 | 1,527,116 | 3,104,360 | 2,638,852 |
| Expenses and other charges | | | | | |
| General and administrative expenses | | 310,771 | 266,204 | 620,175 | 523,395 |
| Finance charges | | 193,351 | 175,279 | 371,776 | 332,538 |
| Depreciation and amortization | | 52,987 | 47,568 | 116,222 | 93,777 |
| Provisions | | 34,206 | 33,303 | 56,773 | 53,353 |
| Total expenses and other charges | | 591,315 | 522,354 | 1,164,946 | 1,003,063 |
| Net profit for the period before KFAS, Zakat and National Labour Support Tax | | | | | |
| Contribution to Kuwait Foundation for the Advancement of Science | | 1,190,695 | 1,004,762 | 1,939,414 | 1,635,789 |
| Zakat | | (10,204) | (8,916) | (16,480) | (14,413) |
| National Labour Support Tax | | (11,477) | (10,167) | (18,552) | (16,373) |
| Net profit for the period | | 1,140,323 | 960,260 | 1,858,002 | 1,564,070 |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive income | | 1,140,323 | 960,260 | 1,858,002 | 1,564,070 |
| Attributable to: | | | | | |
| Shareholders of the parent company | | 1,083,369 | 946,153 | 1,749,713 | 1,529,706 |
| Non-controlling interests | | 56,954 | 14,107 | 108,289 | 34,364 |
| Net profit for the period | | 1,140,323 | 960,260 | 1,858,002 | 1,564,070 |
| Earning per share attributable to shareholders of the parent company /(Fils) | 11 | 5.82 | 5.08 | 9.40 | 8.22 |

The accompanying notes form an integral part of this Interim Condensed Consolidated Financial Information.

Al Eid Food Company
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Interim condensed consolidated statement of profit or loss and other comprehensive income
for the six months ended June 30, 2023
(Unaudited)

"All amounts are in Kuwaiti Dinars"

| | The three months ended | | The six months ended | |
|----------------------------------------------------------------------------------------------------------------------|------------------------|----------------|----------------------|------------------|
| | June 30 | | June 30 | |
| | 2023 | 2022 | 2023 | 2022 |
| Net profit for the period | | | | |
| Other comprehensive income for the period | 1,140,323 | 960,260 | 1,858,002 | 1,564,070 |
| Items that may be reclassified subsequently to the interim condensed consolidated statement of profit or loss: | | | | |
| Foreign currency translation | 136 | - | 199 | - |
| Other comprehensive income for the period | 136 | - | 199 | - |
| Total comprehensive income for the period | 1,140,459 | 960,260 | 1,858,201 | 1,564,070 |
| Attributable to: | | | | |
| Owners of the Parent Company | 1,083,505 | 946,153 | 1,749,912 | 1,529,706 |
| Non-controlling interests | 56,954 | 14,107 | 108,289 | 34,364 |
| Total comprehensive income for the period | 1,140,459 | 960,260 | 1,858,201 | 1,564,070 |

The accompanying notes form an integral part of this Interim Condensed Consolidated Financial Information.

Al Eid Food Company
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Interim condensed consolidated statement of changes in equity for the six months ended June 30, 2023
(Unaudited)

"All amounts are in Kuwaiti Dinars"

| | Equity attributable to the shareholders of the "parent company" | | | | | Total | Non-controlling interests | Total equity |
|---------------------------------------------------------|-----------------------------------------------------------------|-------------------|-------------------|--------------------------------------|-------------------|-------------------|---------------------------|-------------------|
| | Share capital | Statutory reserve | Voluntary reserve | Foreign currency translation reserve | Retained earnings | | | |
| Balance at January 1, 2022 | 14,465,647 | 2,076,800 | 1,147,016 | - | 3,404,182 | 21,093,645 | 129,539 | 21,223,184 |
| Net profit for the period | - | - | - | - | 1,529,706 | 1,529,706 | 34,364 | 1,564,070 |
| Issued bonus shares | 2,459,160 | - | - | - | (2,459,160) | - | - | - |
| Cash dividends | - | - | (212,230) | - | (945,022) | (1,157,252) | - | (1,157,252) |
| Net movement on non-controlling interests | - | - | - | - | - | - | 355.01 | 55.013 |
| Balance at June 30, 2022 | 16,924,807 | 2,076,800 | 934,786 | - | 1,529,706 | 21,466,099 | 218,916 | 21,685,015 |
| Balance at January 1, 2023 | 16,924,807 | 2,339,522 | 1,197,508 | (380) | 1,984,814 | 22,446,271 | 308,538 | 22,754,809 |
| Net profit for the period | - | - | - | - | 1,749,713 | 1,749,713 | 108,289 | 1,858,002 |
| Other comprehensive income for the period | - | - | - | 199 | - | 199 | - | 199 |
| Total comprehensive income for the period | - | - | - | 199 | 1,749,713 | 1,749,912 | 108,289 | 1,858,201 |
| Transferred from voluntary reserve to retained earnings | - | - | (553,907) | - | 553,907 | - | - | - |
| Issued bonus shares (Note 9) | 1,692,480 | - | - | - | (1,692,480) | - | - | - |
| Cash dividend (Note 12) | - | - | - | - | (846,240) | (846,240) | - | (846,240) |
| Balance at June 30, 2023 | 18,617,287 | 2,339,522 | 643,601 | (181) | 1,749,714 | 23,349,943 | 416,827 | 23,766,770 |

The accompanying notes form an integral part of this Interim Condensed Consolidated Financial Information.

Al Eid Food Company
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Interim condensed consolidated statement of cash flows for the six months ended
June 30, 2023
(Unaudited)
"All amounts are in Kuwaiti Dinars"

| | The six months ended June 30 | |
|-----------------------------------------------------------------|-------------------------------------|------------------|
| | 2023 | 2022 |
| Cash flows from operating activities | | |
| Net profit for the period | 1,858,002 | 1,564,070 |
| Adjustments: | | |
| Depreciation and amortization | 116,222 | 93,943 |
| Provision for end of service indemnity | 24,079 | 35,890 |
| Finance charges | 371,776 | 332,538 |
| Adjusted profit before changes in working capital items | 2,370,079 | 2,026,441 |
| Accounts receivable and other debit balances | (280,871) | (86,716) |
| Inventory | (730,401) | (219,573) |
| Accounts payable and other credit balances | 32,051 | 131,885 |
| Net cash generated from operating activities | 1,390,858 | 1,852,037 |
| Cash flows from investing activities | | |
| Property and equipment | (3,299) | - |
| Paid to acquire a subsidiary company | - | (55,000) |
| Net cash used in investing activities | (3,299) | (55,000) |
| Cash flows from financing activities | | |
| Murabaha payables | (283,995) | 174,043 |
| Cash dividends | (846,240) | (1,157,252) |
| Finance charges paid | (371,776) | (332,538) |
| Net cash used in financing activities | (1,502,011) | (1,315,747) |
| Foreign currency translation | 160 | - |
| Net (decrease) increase in cash and cash equivalents | (114,292) | 481,290 |
| Cash and cash equivalents at beginning of the period | 1,715,251 | 1,182,615 |
| Cash and cash equivalents from a subsidiary company acquisition | - | 2,680 |
| Cash and cash equivalents at end of the period | 1,600,959 | 1,666,585 |

The accompanying notes form an integral part of this Interim Condensed Consolidated Financial Information.

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Notes to the Interim Condensed Consolidated Financial Information for the six months ended June 30, 2023
(Unaudited)

"All amounts are in Kuwait Dinar unless stated otherwise"

1- Parent company's formation and activities

Al Eid for General Trading and Contracting Company (Abdullah Saud Murdy Al Mutaury and Partners) was incorporated as W.L.L Company in accordance with the Articles of Association dated on March 4, 1994 and subsequent amendments.

The legal entity of the Parent company has been transferred from (limited liability company) to a kuwaiti shareholding company (Public) under the name of Al Eid Food Company as per the Articles of Association dated on June 2, 2004 through transferring all assets and liabilities to the new company based on evaluation made by an independent expert. Many changes on the company's commercial register, the last of which dated on May 28, 2023.

The objectives, for which the parent company was incorporated, are as follows:

- Managing and operating all works related to nutrition supplies in restaurants, hospitals, schools, universities, companies, factories and military camps, parks, commercial and residential complexes, clubs, institutes, entertainment cities, guest houses, residential houses, theaters, cinemas, recreational, sports and tourism projects and shops in various grades and levels including all indigenous and assistance services and facilities thereto and other necessary services, whether directly or to the favor of others.
- Making food and beverages, foodstuffs and other consumables (after the approval of the General Authority of Industry), importing, selling, packaging, storage and distributing in the manner that the company deems appropriate, in wholesale or retail.
- Opening and managing restaurants, including fast-food restaurants.
- Investing in different sectors through shareholding in the establishment or investing in companies.
- Purchasing and importing devices, supplies and equipment necessary for the implementation of the objectives of the parent company.
- Representing companies and participating in similar tenders that are similar to these purposes.
- Owning movables and real estate that are necessary to conduct its activities to acceptable limits in accordance with the law.
- Utilizing the financial surpluses that are available to the parent company through investing them in financial portfolios managed by specialized companies and authorities.

The parent company may conduct the previous mentioned business objectives inside and outside the State of Kuwait by itself or as an agent.

The parent company has the right to participate or subscribe in any way, in other institutions which operate in the same field or those which would assist in achieving its objectives in Kuwait or abroad and to construct, participate or purchase these institutions or join them.

The postal address of the parent company is: Ardiya - P.O. Box 41081, Post Code 85851 Kuwait.

The Interim Condensed Consolidated Financial Information for the six months ended June 30, 2023 was authorized for issuance by the Board of Directors on August 13, 2023.

Al Eid Food Company
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Notes to the Interim Condensed Consolidated Financial Information for six months ended June 30, 2023

(Unaudited)

"All amounts are in Kuwaiti Dinar unless stated otherwise"

2- Basis of preparation and significant accounting policies

The Interim Condensed Consolidated Financial Information of the Group has been prepared in accordance with IAS 34, "Interim Financial Reporting". Accordingly, it does not include all of the information and footnotes required for complete financial statements prepared in accordance with International Financial Reporting Standards.

The accounting policies used in the preparation of this Interim Condensed Consolidated Financial Information are consistent with those used in the preparation of the annual audited financial statements of the Group for the financial year ended December 31, 2022.

Other amendments to IFRSs which are effective for annual accounting period starting from 1 January 2023 did not have any material impact on the accounting policies; performance of the Group or interim condensed consolidated financial position.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included. Operating results for the interim period are not necessarily indicative of the results that may be expected for the year ending December 31, 2023. For further information, refer to the annual audited consolidated financial statements and notes thereto for the financial year ended December 31, 2022.

This Interim Condensed Consolidated Financial Information is presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Group.

3- Subsidiaries

This interim condensed consolidated financial information includes the financial information of the "Parent Company" and its subsidiaries, as described below, (together referred to as the "Group")

| Company name | Country | Activity | Ownership percentage% | | |
|--------------------------------------------------------------------|-------------------------|--------------------------------------|-----------------------|-----------------------------|---------------|
| | | | June 30, 2023 | December 31, 2022 (audited) | June 30, 2022 |
| Natural Honey World Company - W.L.L | Kuwait | Bee honey and its supplies | 60% | 60% | 60% |
| Lugain Food Stuff Company - W.L.L | Kuwait | Food stuff | 70% | 70% | 70% |
| Branch for Ready-made Meals' Preparation Company W.L.L | Kuwait | Ready-made Meals' Preparation | 50% | 50% | 50% |
| Gulf countries company W.L.L | Kingdom of Saudi Arabia | Food stuff | 99.95% | 99.95% | - |
| Heathland Company for Healthy Food and Vegetables Products - W.L.L | Kuwait | Healthy food and vegetables products | 70% | 70% | - |

- The subsidiary financial information of (Gulf countries company W.L.L) was consolidated at a percentage of 100% as of June 30, 2023 under an authenticated written waiver from a related party in the favour of the parent company.
- The interim condensed consolidated financial information of the subsidiaries has been consolidated based on financial information prepared by the management as of June 30, 2023.

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Notes to the Interim Condensed Consolidated Financial Information for six months ended
June 30, 2023
(Unaudited)

"All amounts are in Kuwaiti Dinar unless stated otherwise"

4- Accounts receivable and other debit balances

| | June | December | June |
|--------------------------|-------------------|-------------------|-------------------|
| | 30, 2023 | 31, 2022 | 30, 2022 |
| | | (audited) | |
| Trade receivables | 13,261,349 | 12,928,800 | 11,887,116 |
| Provision for ECL | (468,728) | (468,728) | (468,728) |
| | <u>12,792,621</u> | <u>12,460,072</u> | <u>11,418,388</u> |
| Cheques under collection | 2,889,031 | 2,940,709 | 2,798,410 |
| Refundable deposits | 63,431 | 63,431 | 2,750 |
| | <u>15,745,083</u> | <u>15,464,212</u> | <u>14,219,548</u> |

5- Inventory

| | June | December | June |
|---------------------------------|-------------------|-------------------|-------------------|
| | 30, 2023 | 31, 2022 | 30, 2022 |
| | | (audited) | |
| Ending inventory | 9,355,089 | 8,484,392 | 8,100,288 |
| Provision for slow moving goods | (114,460) | (114,460) | (114,460) |
| | <u>9,240,629</u> | <u>8,369,932</u> | <u>7,985,828</u> |
| Goods in transit | 5,382,564 | 5,522,860 | 4,798,612 |
| | <u>14,623,193</u> | <u>13,892,792</u> | <u>12,784,440</u> |

6- Transactions with related parties

Related parties comprise of the major shareholders, Board of Directors, entities controlled by them or under their joint control, executive officers of the Group, key management personnel and their close family members. The parent company's management approves the terms and condition of related parties transactions. The transactions with related parties are subject to the approval of Shareholders' General Assembly.

The balances of transactions with related parties included in the Interim Condensed Consolidated Financial Information are as follows:

Interim condensed consolidated statement of financial position

Interim condensed consolidated statement of financial position doesn't include any balances with related parties.

| | The three months ended | | The Six months ended | |
|-------------------------------------------------------------------|-------------------------------|-------------|-----------------------------|-------------|
| | June 30 | | June 30 | |
| | 2023 | 2022 | 2023 | 2022 |
| Interim condensed consolidated statement of profit or loss | | | | |
| Key management benefits | | | | |
| Salary and other benefits | 6,000 | 6,000 | 12,000 | 12,000 |

Al Eid Food Company
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Notes to the Interim Condensed Consolidated Financial Information for the six months ended June 30, 2023
(Unaudited)

"All amounts are in Kuwaiti Dinar unless stated otherwise"

7- Property and equipment

| | <u>Buildings</u> | <u>Machinery and equipment</u> | <u>Vehicles</u> | <u>Decorations</u> | <u>Total</u> |
|---------------------------------|------------------|----------------------------------------|-----------------|--------------------|------------------|
| Cost | | | | | |
| Balance at January 1, 2023 | 900,000 | 530,035 | 480,263 | 300,182 | 2,210,480 |
| Additions | - | 441 | 1,257 | 1,601 | 3,299 |
| Foreign currency translation | - | 3 | 36 | 2 | 41 |
| Balance at June 30, 2023 | <u>900,000</u> | <u>530,479</u> | <u>481,556</u> | <u>301,785</u> | <u>2,213,820</u> |
| Accumulated depreciation | | | | | |
| Balance at January 1, 2023 | 855,000 | 324,894 | 399,632 | 196,731 | 1,776,257 |
| Charged for the period | 22,500 | 44,715 | 21,980 | 17,518 | 106,713 |
| Foreign currency translation | - | 1 | 10 | - | 11 |
| Balance at June 30, 2023 | <u>877,500</u> | <u>369,610</u> | <u>421,622</u> | <u>214,249</u> | <u>1,882,981</u> |
| Net book value | | | | | |
| At June 30, 2023 | <u>22,500</u> | <u>160,869</u> | <u>59,934</u> | <u>87,536</u> | <u>330,839</u> |
| At December 31, 2022 (audited) | <u>45,000</u> | <u>205,141</u> | <u>80,631</u> | <u>103,451</u> | <u>434,223</u> |

Al Eid Food Company
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Notes to the Interim Condensed Consolidated Financial Information for the six months ended June 30, 2023

(Unaudited)

"All amounts are in Kuwaiti Dinar unless stated otherwise"

8- Accounts payable and other credit balances

| | June 30, 2023 | December 31, 2022 (audited) | June 30, 2022 |
|-----------------------------|------------------|-----------------------------------|------------------|
| Accounts payable | 149,511 | 29,566 | 55,479 |
| Provision for staff leave | 57,428 | 60,821 | 40,685 |
| KFAS | 151,553 | 135,073 | 125,841 |
| Zakat | 61,430 | 129,807 | 136,904 |
| National labour support tax | 138,903 | 171,507 | 327,829 |
| | <u>558,825</u> | <u>526,774</u> | <u>686,738</u> |

9- Share capital

The authorized, issued and full paid-up capital is KD 18,617,287 distributed on 186,172,872 shares with nominal value 100 Fils of each share and all shares are in cash.

On May 3, 2023 the Extraordinary General Assembly of the shareholders was held and approved the increase of the parent company's share capital from KD 16,924,806.600 to KD 18,617,287.200 by an increase KD 1,692,480.600 through issuing bonus shares equal to 10% from the share capital at 10 shares to every 100 shares, and that increase was recorded in commercial register on May 28, 2023.

10- Cost of sales

| | The three months ended June 30 | | The six months ended June 30 | |
|----------------------------------------------|-----------------------------------|-------------------|---------------------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Beginning inventory | 8,958,888 | 8,174,200 | 8,484,392 | 7,775,491 |
| Result from a subsidiary company acquisition | - | 8,468 | - | 8,468 |
| Purchases | 9,058,375 | 7,606,612 | 15,868,092 | 13,558,258 |
| | <u>18,017,263</u> | <u>15,789,280</u> | <u>24,352,484</u> | <u>21,342,217</u> |
| Ending inventory | (9,355,089) | (8,100,288) | (9,355,089) | (8,100,288) |
| | <u>8,662,174</u> | <u>7,688,992</u> | <u>14,997,395</u> | <u>13,241,929</u> |

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Notes to the Interim Condensed Consolidated Financial Information for the six months ended June 30, 2023
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"All amounts are in Kuwaiti Dinar unless stated otherwise"

11- Earning per share attributable to shareholders of the Parent Company/(Fils)

Earning per share attributable to shareholders of the parent company is calculated through dividing the net profit attributable to shareholders of the Parent Company for the period by the weighted average number of shares outstanding during the period as follows:

| | The three months ended June 30 | | The six months ended June 30 | |
|-------------------------------------------------------------------------------|-----------------------------------|--------------------|---------------------------------|--------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net profit for the period | <u>1,083,369</u> | <u>946,153</u> | <u>1,749,713</u> | <u>1,529,706</u> |
| Weighted average number of shares outstanding during the period | <u>186,172,872</u> | <u>186,172,872</u> | <u>186,172,872</u> | <u>186,172,872</u> |
| Earning per share attributable to shareholders of the parent company / (Fils) | <u>5.82</u> | <u>5.08</u> | <u>9.40</u> | <u>8.22</u> |

The weighted average number of outstanding shares during the year has been recomputed during the year ended June 30, 2023 as well as the comparative period to reflect the bonus shares of 16,924,806 shares which have been approved by the Extraordinary General Assembly of the Shareholders on May 3, 2023 (Note - 12).

12- General Assembly of shareholders

On May 3, 2023 the Board of Directors of the parent company proposed the following:

- The consolidated financial statements for the financial year ended December 31, 2022.
- Non distribution of any remuneration for the Board of Directors for the financial year ended December 31, 2022.
- Distribution of cash dividends at 5% of the nominal value of each share (5 fils per share) to shareholders registered in the Parent Company's records as at the end of the maturity date.
- Increase the parent company's capital from KD 16,924,806.600 to KD 18,617,287.200, by distributing bonus shares of 10% of the authorized, issued and paid-up capital distributed by 10 shares for each hundred shares through the issuance of 16,924,806 new shares, as issued by the decision of the Extraordinary General Assembly of the shareholders registered in the records of the parent company as of the end of the due day and authorization of the Board of directors to dispose of fractional shares, determine the maturity date, and amend the timetable in case it is confirmed at least eight working days before the due date in case of the delay of the month's procedures.
- Approved the transfer of KD 553,907 from the voluntary reserve to the retained earnings.

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(Unaudited)

"All amounts are in Kuwaiti Dinar unless stated otherwise"

13- Segment report

The group has classified its assets according to the following geographical sectors according to the geographical position of customers and the assets of each sector separately:

Below are the segments details:

- State of Kuwait,
- Gulf Co-operation Council.

| | June 30, 2023 | | |
|---------------------------|----------------------------|-------------------------------------------|--------------------|
| | State of Kuwait | Gulf Co- operation Council | Total |
| Segment revenue | 3,078,211 | 26,149 | 3,104,360 |
| Expenses | (1,213,130) | (33,228) | (1,246,358) |
| Net profit for the period | 1,865,081 | (7,079) | 1,858,002 |
| | June 30, 2022 | | |
| | State of Kuwait | Gulf Co- operation Council | Total |
| Segment revenue | 2,638,852 | - | 2,638,852 |
| Expenses | (1,074,782) | - | (1,074,782) |
| Net profit for the period | 1,564,070 | - | 1,564,070 |

The assets and liabilities of the operating segments of the Group are distributed over the following geographical regions:

| | June 30, 2023 | December 31, 2022 (audited) | June 30, 2022 |
|---------------------------|--------------------------|--------------------------------------------|--------------------------|
| | Assets | | |
| State of Kuwait | 32,222,613 | 31,559,085 | 29,277,240 |
| Gulf Co-operation Council | 206,650 | 86,082 | - |
| | 32,429,263 | 31,645,167 | 29,277,240 |
| Liabilities | | | |
| State of Kuwait | 8,534,025 | 8,889,337 | 7,592,225 |
| Gulf Co-operation Council | 128,468 | 1,021 | - |
| | 8,662,493 | 8,890,358 | 7,592,225 |

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(Unaudited)

"All amounts are in Kuwaiti Dinar unless stated otherwise"

14- Financial instruments

Categories of financial instruments

The Company's financial assets and financial liabilities are categorized in the Interim condensed consolidated statement of financial position as follows:

| | June | December | June |
|----------------------------------------------|-------------------|------------------|-----------------|
| | 30, 2023 | 31, 2022 | 30, 2022 |
| | | (audited) | |
| Financial assets: | | | |
| Cash and cash equivalents | 1,600,959 | 1,715,251 | 1,666,585 |
| Accounts receivable and other debit balances | 15,745,083 | 15,464,212 | 14,219,548 |
| | 17,346,042 | 17,179,463 | 15,886,133 |
| | | | |
| | | | |
| | | | |
| Financial liabilities: | | | |
| Murabaha payables | 7,684,589 | 7,968,584 | 6,514,315 |
| Accounts payable and other credit balances | 558,825 | 526,774 | 686,738 |
| | 8,243,414 | 8,495,358 | 7,201,053 |

15- Subsequent events

On a date subsequent to the interim consolidated condensed financial position (August 6, 2023), the extraordinary general assembly of the shareholders of the parent company was held, which approved the following:

- Approve the purchase of 99% of the capital of (Al-Ashraf Central Market Company – W.L.L), which is owned by Dalqan Holding Company - K.S.C.C. which is considered a related party, as it owns 51% of the capital of the parent company and on the terms of a contract The purchase and all its appendices, including the asset valuation report prepared by the independent asset valuer and the report of the independent investment consultant, which includes an opinion on the fairness of the valuation, after obtaining the approval of the relevant supervisory authorities.
- Approve the increase of the authorized and issued capital of the parent company from KD 18,617,287.200 to KD 30,331,572.900 by issuing 117,142,857 new shares, the value of the share is 100 Kuwaiti fils, with an issuance premium of 75 Kuwaiti fils. The parent company on the maturity date that will be announced (increase rate of about 62.92% of the total issued and current paid-up capital of the parent company), and authorize the board of directors or the executive management of the parent company to determine the timetable for share entitlements and to amend the timetable in case of non-completion of the Procedures for the month at least eight working days prior to the maturity date and in disposing of fractional shares.

16- Comparative figures

Certain cooperative figures for the previous period have been reclassified to conform to current period presentation.