

Al Eid Food Company

K.S.C. (Public)

and its subsidiaries

Kuwait

**Interim Condensed Consolidated Financial Information for
The Three Months Ended March 31, 2024**

(Unaudited)

With

Review report

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

Interim Condensed Consolidated Financial Information for
The Three Months Ended March 31, 2024
(Unaudited)
With
Review report

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Review report on the Interim Condensed Consolidated Financial Information

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Rödl

Middle East

Burgan-International Accountants
Ali Al-Hasawi & Co

**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 March 31, 2024 and the related interim condensed consolidated statements of profit or loss, statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three 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 three month period ended March 31, 2024 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
Licence No. 30 (A)
Rödl Middle East
Burgan International Accountants**

May 13, 2024
Kuwait

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

Interim condensed consolidated statement of financial position as of March 31, 2024
(Unaudited)

"All amounts are in Kuwaiti Dinar"

	Note	March 31, 2024	December 31, 2023 (audited)	March 31, 2023
Assets				
Current assets				
Cash and cash equivalents		678,816	942,419	1,561,809
Accounts receivable and other debit balances	4	27,348,405	26,444,949	15,572,134
Inventory	5	27,651,662	27,057,871	14,346,540
		<u>55,678,883</u>	<u>54,445,239</u>	<u>31,480,483</u>
Non-current assets				
Goodwill		8,656,524	8,656,524	-
Intangible assets		138,690	144,065	133,939
Property and equipment	7	233,348	263,662	375,749
		<u>9,028,562</u>	<u>9,064,251</u>	<u>509,688</u>
Total assets		<u>64,707,445</u>	<u>63,509,490</u>	<u>31,990,171</u>
Liabilities and equity				
Current liabilities				
Murabihat payables – current portion		12,814,769	12,791,450	7,669,231
Notes payable		2,495,827	2,497,193	-
Accounts payable and other credit balances	8	651,449	649,812	443,232
		<u>15,962,045</u>	<u>15,938,455</u>	<u>8,112,463</u>
Non-current liabilities				
Murabihat payables – non-current portion		829,616	1,037,015	-
Provision for end of service indemnity		612,904	593,943	405,157
		<u>1,442,520</u>	<u>1,630,958</u>	<u>405,157</u>
Equity				
Share capital	9	30,331,573	30,331,573	16,924,807
Share premium		8,785,714	8,785,714	-
Statutory reserve		2,674,740	2,674,740	2,339,522
Voluntary reserve		978,819	978,819	1,197,508
Foreign currency translation reserve		(2,665)	(2,773)	(317)
Retained earnings		3,836,993	2,532,317	2,651,158
Equity attributable to shareholders of the "parent company"		<u>46,605,174</u>	<u>45,300,390</u>	<u>23,112,678</u>
Non-controlling interests		697,706	639,687	359,873
Total equity		<u>47,302,880</u>	<u>45,940,077</u>	<u>23,472,551</u>
Total liabilities and equity		<u>64,707,445</u>	<u>63,509,490</u>	<u>31,990,171</u>



Fahed Saud Al Mutairy
Chairman

Abdullah Saud Al Mutairy
Vice Chairman

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

Interim condensed consolidated statement of profit or loss for the three months ended March 31, 2024
(Unaudited)

"All amounts are in Kuwaiti Dinar"

	Note	The three months ended	
		March 31	
		2024	2023
Revenue			
Sales		16,700,380	7,596,121
Cost of sales	10	(14,372,089)	(6,335,221)
Gross profit of sales		2,328,291	1,260,900
Other income		65,750	61,450
Total revenue		2,394,041	1,322,350
Expenses and other charges			
General and administrative expenses		607,985	309,404
Finance expenses		279,260	178,425
Depreciation and amortization		43,126	63,235
Provisions		40,232	22,567
Total expenses and other charges		970,603	573,631
Net profit for the period before KFAS, Zakat and National Labour Support Tax		1,423,438	748,719
Contribution to Kuwait Foundation for the Advancement of Science		(12,289)	(6,276)
Zakat		(13,844)	(7,075)
National Labour Support Tax		(34,610)	(17,689)
Net profit for the period		1,362,695	717,679
Attributable to:			
Shareholders of the "parent company"		1,304,676	666,344
Non-controlling interests		58,019	51,335
Net profit for the period		1,362,695	717,679
Earning per share attributable to shareholders of the "parent company"/(Fils)	11	4.30	3.58

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Interim condensed consolidated statement of profit or loss and other comprehensive income for the three months ended March 31, 2024

(Unaudited)

"All amounts are in Kuwaiti Dinar"

	The three months ended	
	March 31	
	2024	2023
Net profit for the period	1,362,695	717,679
Other comprehensive income:		
<i>Items that may be reclassified subsequently to the interim condensed consolidated statement of profit or loss:</i>		
Foreign currency translation	108	63
Other comprehensive income for the period	108	63
Total comprehensive income for the period	1,362,803	717,742
Attributable to:		
Shareholders of the "parent company"	1,304,784	666,407
Non-controlling interests	58,019	51,335
Total comprehensive income for the period	1,362,803	717,742

Al Eid Food Company
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Interim condensed consolidated statement of changes in equity for the three months ended March 31, 2024
 (Unaudited)

"All amounts are in Kuwaiti Dinar"

	Equity attributable to the shareholders of the "parent company"							Non-controlling interests	Total equity
	Share capital	Share premium	Statutory reserve	Voluntary reserve	Foreign currency translation reserve	Retained earnings	Total		
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	-	-	-	-	-	666,344	666,344	51,335	717,679
Other comprehensive income for the period	-	-	-	-	63	-	63	-	63
Total comprehensive income for the period	-	-	-	-	63	666,344	666,407	51,335	717,742
Balance at March 31, 2023	16,924,807	-	2,339,522	1,197,508	(317)	2,651,158	23,112,678	359,873	23,472,551
Balance at January 1, 2024	30,331,573	8,785,714	2,674,740	978,819	(2,773)	2,532,317	45,300,390	639,687	45,940,077
Net profit for the period	-	-	-	-	-	1,304,676	1,304,676	58,019	1,362,695
Other comprehensive income for the period	-	-	-	-	108	-	108	-	108
Total comprehensive income for the period	-	-	-	-	108	1,304,676	1,304,784	58,019	1,362,803
Balance at March 31, 2024	30,331,573	8,785,714	2,674,740	978,819	(2,665)	3,836,993	46,605,174	697,706	47,302,880

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Al Eid Food Company
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Exhibit - E

Interim condensed consolidated statement of cash flows for the three months ended March 31, 2024
(Unaudited)
"All amounts are in Kuwaiti Dinar"

	The three months ended	
	March 31	
	2024	2023
Cash flows from operating activities		
Net profit for the period	1,362,695	717,679
Adjustments:		
Depreciation and amortization	44,066	63,235
Provision for end of service indemnity	18,961	10,157
Finance expenses	279,260	178,425
Adjusted profit before calculating the effect of changes in working capital items	1,704,982	969,496
Accounts receivable and other debit balances	(903,456)	(107,922)
Inventory	(593,791)	(453,748)
Accounts payable and other credit balances	1,637	(83,542)
Net cash generated from operating activities	209,372	324,284
Cash flows from investing activities		
Property and equipment	(8,372)	-
Net cash used in investing activities	(8,372)	-
Cash flows from financing activities		
Murabahat payables	(184,080)	(299,353)
Notes payable	(1,366)	-
Finance expenses paid	(279,260)	(178,425)
Net cash used in financing activities	(464,706)	(477,778)
Foreign currency translation	103	52
Net decrease in cash and cash equivalents	(263,603)	(153,442)
Cash and cash equivalents at beginning of the period	942,419	1,715,251
Cash and cash equivalents at end of the period	678,816	1,561,809

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Notes to the Interim Condensed Consolidated Financial Information for the three months ended March 31, 2024
(Unaudited)

"All amounts are in Kuwaiti Dinar unless stated otherwise"

1- Company's formation and activities

Al Eid for General Trading and Contracting Company (Abdullah Saud Murdy Al Mutairy 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 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 December 10, 2023.

The objectives, for which the 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 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 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.

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Notes to the Interim Condensed Consolidated Financial Information for the three months ended March 31, 2024

(Unaudited)

"All amounts are in Kuwaiti Dinar unless stated otherwise"

2- Basis of preparation

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, 2023.

Other amendments to IFRSs which are effective for annual accounting period starting from 1 January 2024 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, 2024. For further information, refer to the annual audited consolidated financial statements and notes thereto for the year ended December 31, 2023.

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")

<u>Company name</u>	<u>Country</u>	<u>Activity</u>	<u>Ownership percentage%</u>		
			<u>March 31, 2024</u>	<u>December 31, 2023 (audited)</u>	<u>March 31, 2023</u>
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	%99.95
Heathland Company for Healthy Food and Vegetables Products - W.L.L	Kuwait	Healthy food and vegetables products	%70	%70	%70
Al-Ashraf Central Market Company - W.L.L	Kuwait	Central Market	%99	%99	-

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Notes to the Interim Condensed Consolidated Financial Information for the three months ended March 31, 2024

(Unaudited)

"All amounts are in Kuwaiti Dinar unless stated otherwise"

- The subsidiary financial information of (Gulf countries company – W.L.L) was consolidated at a percentage of 100% as of March 31, 2024 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 have been consolidated based on management financial statements as of March 31, 2024.

4- Accounts receivable and other debit balances

	March 31, 2024	December 31, 2023 (audited)	March 31, 2023
Trade receivables	23,498,646	22,656,237	13,095,917
Provision for ECL	(546,973)	(546,971)	(468,728)
	22,951,673	22,109,266	12,627,189
Cheques under collections	4,175,444	4,161,619	2,881,514
Refundable deposits	173,328	173,328	63,431
Others	47,960	736	-
	27,348,405	26,444,949	15,572,134

5- Inventory

	March 31, 2024	December 31, 2023 (audited)	March 31, 2023
Ending inventory	19,581,568	19,281,688	8,958,888
Provision for slow moving items	(132,345)	(132,345)	(114,460)
	19,449,223	19,149,343	8,844,428
Goods in transit	8,202,439	7,908,528	5,502,112
	27,651,662	27,057,871	14,346,540

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.

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Notes to the Interim Condensed Consolidated Financial Information for the three months ended March 31, 2024

(Unaudited)

"All amounts are in Kuwaiti Dinar unless stated otherwise"

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	March 31, 2024	December 31, 2023 (audited)	March 31, 2023
Goodwill	<u>8,656,524</u>	<u>8,656,524</u>	<u>-</u>

Interim condensed consolidated statement of profit or loss and other comprehensive income

	The three months ended March 31	
	2024	2023
Key Management bonuses and benefits		
Salaries and other benefits	6,000	6,000

(5)

Al Eid Food Company
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Notes to the Interim Condensed Consolidated Financial Information for the three months ended March 31, 2024
(Unaudited)

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7- Property and equipment

	Buildings	Machinery and equipment	Vehicles	Decorations	Total
Cost					
Balance at January 1, 2024	900,000	542,292	500,663	300,661	2,243,616
Additions	-	-	6,801	1,571	8,372
Foreign currency translation	-	8	12	9	29
Balance at March 31, 2024	900,000	542,300	507,476	302,241	2,252,017
Accumulated depreciation					
Balance at January 1, 2024	899,999	412,406	433,797	233,752	1,979,954
Charged for the period	-	21,819	8,386	8,486	38,691
Foreign currency translation	-	6	11	7	24
Balance at March 31, 2024	899,999	434,231	442,194	242,245	2,018,669
Net book value					
At March 31, 2024	1	108,069	65,282	59,996	233,348
At December 31, 2023 (audited)	1	129,886	66,866	66,909	263,662

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Notes to the Interim Condensed Consolidated Financial Information for the three months ended March 31, 2024

(Unaudited)

"All amounts are in Kuwaiti Dinar unless stated otherwise"

8- Accounts payable and other credit balances

	March 31, 2024	December 31, 2023 (audited)	March 31, 2023
Accounts payable	237,301	145,871	14,366
Provision for staff leave	68,900	84,035	60,982
KFAS	177,532	165,243	141,349
Zakat	47,919	76,953	84,727
National Labour Support Tax	119,797	177,710	141,808
	651,449	649,812	443,232

9- Share capital

The authorized, issued and full paid-up capital is KD 30,331,573 distributed on 303,315,729 shares with nominal value 100 Fils of each share and all shares are in cash.

10- Cost of sales

	The three months ended March 31	
	2024	2023
Beginning inventory	19,281,688	8,484,392
Purchases	14,671,848	6,809,685
	33,953,536	15,294,077
Ending inventory	(19,581,568)	(8,958,888)
Foreign currency translation	121	32
	14,372,089	6,335,221

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 March 31	
	2024	2023
Net profit share for the period attributable to shareholders of the Parent Company	1,304,676	666,344
Weighted average number of shares outstanding during the period	303,315,729	186,172,872
Earning per share attributable to shareholders of the Parent Company/(Fils)	4.30	3.58

The weighted average number of shares has been recalculated for the comparison period.

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Notes to the Interim Condensed Consolidated Financial Information for the three months ended March 31, 2024
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"All amounts are in Kuwaiti Dinar unless stated otherwise"

12- General Assembly of shareholders

The general assembly of shareholders of the Parent Company has not been held to approve the consolidated financial statements for the financial year ending December 31, 2023 until the date of issuance of this interim condensed consolidated financial information. Therefore, the consolidated financial statements for the financial year ending December 31, 2023 have not yet been approved.

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.

	March 31, 2024		
	State of Kuwait	Gulf Co- operation Council	Total
Segment revenue	16,668,396	97,734	16,766,130
Expenses	(15,304,760)	(98,675)	(15,403,435)
Profit for the period	1,363,636	(941)	1,362,695
	March 31, 2023		
	State of Kuwait	Gulf Co- operation Council	Total
Segment revenue	7,567,963	89,608	7,657,571
Expenses	(6,883,884)	(56,008)	(6,939,892)
Profit for the period	684,079	33,600	717,679

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Notes to the Interim Condensed Consolidated Financial Information for the three months ended March 31, 2024
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"All amounts are in Kuwaiti Dinar unless stated otherwise"

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

	March 31, 2024	December 31, 2023 (audited)	March 31, 2023
Assets			
State of Kuwait	64,472,022	63,346,187	31,919,842
Gulf Co-operation Council	235,423	163,303	70,329
	<u>64,707,445</u>	<u>63,509,490</u>	<u>31,990,171</u>
Liabilities			
State of Kuwait	17,219,583	17,457,385	8,516,500
Gulf Co-operation Council	184,982	112,028	1,120
	<u>17,404,565</u>	<u>17,569,413</u>	<u>8,517,620</u>

14- Financial instruments

Categories of financial instruments

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

	March 31, 2024	December 31, 2023 (audited)	March 31, 2023
Financial assets			
Cash and cash equivalents	678,816	942,419	1,561,809
Accounts receivable and other debit balances	27,348,405	26,444,949	15,572,134
	<u>28,027,221</u>	<u>27,387,368</u>	<u>17,133,943</u>
Financial liabilities			
Murabahat payables	13,644,385	13,828,465	7,669,231
Notes payable	2,495,827	2,497,193	-
Accounts payable and other credit balances	651,449	649,812	443,232
	<u>16,791,661</u>	<u>16,975,470</u>	<u>8,112,463</u>

15- Comparative figures

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