

ABDULLAH AL-OTHAIM MARKETS COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024
AND INDEPENDENT AUDITOR'S REVIEW REPORT

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

**INDEX TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024**

	<u>PAGE</u>
- Independent auditor's review report	2
- Interim condensed consolidated statement of financial position	3
- Interim condensed consolidated statement of income	4
- Interim condensed consolidated statement of comprehensive income	5
- Interim condensed consolidated statement of changes in equity	6
- Interim condensed consolidated statement of cash flows	7 – 8
- Notes to the interim condensed consolidated financial statements	9 – 26



Ernst & Young Professional Services (Professional LLC)
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)
Head Office
Al Faisaliah Office Tower, 14th Floor
King Fahad Road
P.O. Box 2732
Riyadh 11461
Kingdom of Saudi Arabia

C.R. No. 1010383821
Tel: +966 11 215 9898
+966 11 273 4740
Fax: +966 11 273 4730
ey.ksa@sa.ey.com
ey.com

INDEPENDENT AUDITOR’S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ABDULLAH AL-OTHAIM MARKETS COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Abdullah Al-Othaim Markets Company (“the Company”) and its subsidiaries (collectively referred to with the Company as “the Group”) as at 30 September 2024, and the related interim condensed consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2024, and the related interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young Professional Services

Waleed G. Tawfiq
Certified Public Accountant
License No. (437)



Riyadh: 5 Jumada Al-Ula 1446H
(7 November 2024)

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2024

	Note	As at 30 September 2024 (Unaudited)	As at 31 December 2023 (audited)
(Saudi Riyals)			
ASSETS			
Non-current assets			
Property, plant, and equipment	6	2,019,605,148	1,716,043,917
Right-of-use assets	7	2,045,338,275	1,908,509,579
Investment properties	8	703,919,099	677,049,309
Intangible assets		2,511,476	2,219,015
Other non-current assets		33,373,483	24,769,504
Investments in associates and joint venture	9	227,017,244	194,797,870
Equity instruments at fair value through other comprehensive income		3,002,069	3,002,069
Total non-current assets		5,034,766,794	4,526,391,263
Current assets			
Inventories		1,088,452,121	1,089,686,034
Prepayments and other current assets		187,215,476	164,997,182
Trade receivables		50,041,049	43,009,766
Short-term investments and Murabaha deposits		21,688,299	36,643,856
Cash and cash equivalents	10	98,681,155	181,775,625
Total current assets		1,446,078,100	1,516,112,463
Assets held for sale		1,011,367	1,011,367
TOTAL ASSETS		6,481,856,261	6,043,515,093
EQUITY AND LIABILITIES			
EQUITY			
Paid-in share capital	1	900,000,000	900,000,000
Retained earnings		149,821,536	466,226,341
Fair value reserve		(2,455,069)	(2,455,069)
Currency exchange differences on translation of foreign subsidiary	20	(8,223,050)	(5,370,413)
Share in other comprehensive income of associates and joint venture		(115,403)	-
Equity attributable to the shareholders of the Company		1,039,028,014	1,358,400,859
Non-controlling interests		39,364,508	41,745,889
TOTAL EQUITY		1,078,392,522	1,400,146,748
Non-current liabilities			
Lease contracts liabilities		2,060,455,892	1,903,573,796
Obligation for employees' end-of-service benefits	11	330,100,141	294,561,348
Total non-current liabilities		2,390,556,033	2,198,135,144
Current liabilities			
Short term loans	12	480,000,000	-
Accounts payable		1,912,298,045	1,801,415,132
Current portion of lease contracts liabilities		155,622,534	147,140,558
Accruals and other current liabilities		453,825,827	459,655,540
Zakat and foreign tax provision	14	11,161,300	37,021,971
Total current liabilities		3,012,907,706	2,445,233,201
TOTAL LIABILITIES		5,403,463,739	4,643,368,345
TOTAL EQUITY AND LIABILITIES		6,481,856,261	6,043,515,093

Chief Financial Officer
Marwan Ahmed Ibrahim

Chief Executive Officer
Muaffaq A. Mobarah

Chairman of Board of Directors
Abdullah Saleh Al Othaim


The accompanying notes from (1) to (24) form an integral part of these interim condensed consolidated financial statements.

ABDULLAH AL-OTHAIM MARKETS COMPANY


(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
For the three and nine-month periods ended 30 September 2024


	Note	For the three-month period ended 30		For the nine-month period ended 30	
		September		September	
		2024	2023	2024	2023
		(Saudi Riyals)		(Saudi Riyals)	
Net sales	16	2,563,100,846	2,444,678,120	8,065,695,071	7,651,091,340
Cost of sales		<u>(1,998,281,443)</u>	<u>(1,904,949,983)</u>	<u>(6,330,909,965)</u>	<u>(6,028,488,403)</u>
Gross profit		564,819,403	539,728,137	1,734,785,106	1,622,602,937
Rental income, net	17	23,485,158	21,773,630	68,411,587	64,317,540
Sold voucher commissions		382,772	699,604	1,616,840	1,775,121
Selling and marketing expenses		<u>(457,514,824)</u>	<u>(435,375,668)</u>	<u>(1,380,715,527)</u>	<u>(1,298,056,868)</u>
General and administrative expenses		<u>(44,145,325)</u>	<u>(40,142,218)</u>	<u>(131,555,045)</u>	<u>(116,411,454)</u>
Operating profit		87,027,184	86,683,485	292,542,961	274,227,276
Share in profit or loss of associates and joint venture, net	9	12,521,167	4,084,675	32,334,777	18,914,599
Gain on sale of investment property, net	8	-	-	-	99,475,744
Income from deposits and other investments		771,520	2,551,674	4,452,705	15,278,358
Finance costs	19	<u>(41,298,166)</u>	<u>(27,390,582)</u>	<u>(108,270,288)</u>	<u>(80,937,269)</u>
Other income (loss), net		<u>2,330,285</u>	<u>(42,925)</u>	<u>9,193,929</u>	<u>9,846,989</u>
Income before zakat and foreign tax		61,351,990	65,886,327	230,254,084	336,805,697
Zakat and foreign tax	14	<u>(3,139,644)</u>	<u>(2,570,270)</u>	<u>(8,922,662)</u>	<u>(10,986,163)</u>
Zakat reversal for prior years	14	<u>17,692,592</u>	-	<u>17,692,592</u>	-
Net income for the period		75,904,938	63,316,057	239,024,014	325,819,534
Profit attributable to:					
Shareholders of the Company		75,389,606	62,376,179	236,600,595	321,816,740
Non-controlling interests		<u>515,332</u>	<u>939,878</u>	<u>2,423,419</u>	<u>4,002,794</u>
		<u>75,904,938</u>	<u>63,316,057</u>	<u>239,024,014</u>	<u>325,819,534</u>
Earnings per share					
Basic and diluted earnings per share attributable to the shareholders of the Company	15	<u>0,08</u>	<u>0,07</u>	<u>0,26</u>	<u>0,36</u>



Chief Financial Officer
Marwan Ahmed Ibrahim



Chief Executive Officer
Muaffaq A. Mobarah



Chairman of Board of Directors
Abdullah Saleh Al Othaim

The accompanying notes from (1) to (24) form an integral part of these interim condensed consolidated financial statements.

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

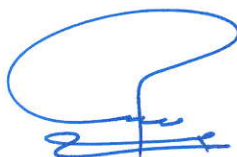
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the three and nine-month periods ended 30 September 2024

Note	For the three-month period ended 30		For the nine-month period ended 30	
	September		September	
	2024	2023	2024	2023
	(Saudi Riyals)		(Saudi Riyals)	
	75,904,938	63,316,057	239,024,014	325,819,534
Net income for the period				
Other comprehensive (loss) income for the period				
Items will not be reclassified to statement of income in subsequent periods:				
Actuarial (losses) gains for employees' end-of-service benefits				
11	(4,121,235)	932,636	(13,005,400)	(4,506,582)
Items will be reclassified to statement of income in subsequent periods:				
Share in other comprehensive loss of associates and joint venture				
9	(103,416)	-	(115,403)	-
Currency exchange differences on translation of foreign subsidiary				
20	16,675	3,224	(2,852,637)	102,907
Other comprehensive (loss) income for the period				
	<u>(4,207,976)</u>	<u>935,860</u>	<u>(15,973,440)</u>	<u>(4,403,675)</u>
Total comprehensive income for the period				
	<u>71,696,962</u>	<u>64,251,917</u>	<u>223,050,574</u>	<u>321,415,859</u>
Attributable to:				
Shareholders of the Company				
	71,181,630	63,312,039	220,627,155	317,413,065
Non-controlling interests				
	<u>515,332</u>	<u>939,878</u>	<u>2,423,419</u>	<u>4,002,794</u>
	<u>71,696,962</u>	<u>64,251,917</u>	<u>223,050,574</u>	<u>321,415,859</u>



Chief Financial Officer
Marwan Ahmed Ibrahim



Chief Executive Officer
Muaffaq A. Mobarah



Chairman of Board of Directors
Abdullah Saleh Al Othaim

The accompanying notes from (1) to (24) form an integral part of these interim condensed consolidated financial statements.

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

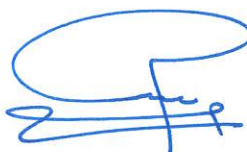
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the nine-month period ended 30 September 2024

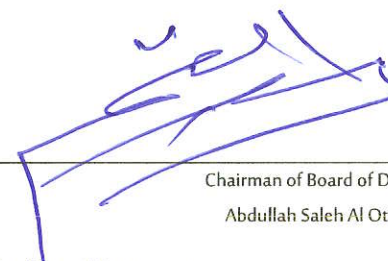
	Attributable to the shareholders of the Company								
	Paid-in share capital	Statutory reserve	Retained earnings	Fair value reserve	Currency exchange differences on translation of foreign subsidiary (Saudi Riyals)	Share in other comprehensive income of associates and joint venture	Total shareholders' equity	Non-controlling interests	Total equity
For the nine-month period ended 30 September 2023									
Balance as at 1 January 2023 (Audited)	900,000,000	247,787,676	267,309,239	(2,455,069)	(5,441,017)	-	1,407,200,829	36,948,261	1,444,149,090
Net income for the period	-	-	321,816,740	-	-	-	321,816,740	4,002,794	325,819,534
Other comprehensive (loss) income for the period	-	-	(4,506,582)	-	102,907	-	(4,403,675)	-	(4,403,675)
Total comprehensive income for the period	-	-	317,310,158	-	102,907	-	317,413,065	4,002,794	321,415,859
Transferred from the statutory reserve	-	(247,787,676)	247,787,676	-	-	-	-	-	-
Cash dividends (Note 22)	-	-	(517,500,000)	-	-	-	(517,500,000)	(2,562,560)	(520,062,560)
Balance as at 30 September 2023 (Unaudited)	900,000,000	-	314,907,073	(2,455,069)	(5,338,110)	-	1,207,113,894	38,388,495	1,245,502,389
For the nine-month period ended 30 September 2024									
Balance as at 1 January 2024 (Audited)	900,000,000	-	466,226,341	(2,455,069)	(5,370,413)	-	1,358,400,859	41,745,889	1,400,146,748
Net income for the period	-	-	236,600,595	-	-	-	236,600,595	2,423,419	239,024,014
Other comprehensive loss for the period	-	-	(13,005,400)	-	(2,852,637)	(115,403)	(15,973,440)	-	(15,973,440)
Total comprehensive income for the period	-	-	223,595,195	-	(2,852,637)	(115,403)	220,627,155	2,423,419	223,050,574
Cash dividends (Note 22)	-	-	(540,000,000)	-	-	-	(540,000,000)	(4,804,800)	(544,804,800)
Balance as at 30 September 2024 (Unaudited)	900,000,000	-	149,821,536	(2,455,069)	(8,223,050)	(115,403)	1,039,028,014	39,364,508	1,078,392,522



Chief Financial Officer
Marwan Ahmed Ibrahim



Chief Executive Officer
Muaffaq A. Mobarah



Chairman of Board of Directors
Abdullah Saleh Al Othaim

The accompanying notes from (1) to (24) form an integral part of these interim condensed consolidated financial statements.

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**For the nine-month period ended 30 September 2024**

	For the nine-month period ended 30	
	September	
	2024	2023
	(Saudi Riyals)	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Income before zakat and foreign tax	230,254,084	336,805,697
<u>Adjustments for:</u>		
Depreciation of property, plant, and equipment and right-of-use assets	299,593,771	274,779,219
Depreciation of investment properties	18,111,331	19,650,108
Amortization of intangible assets	364,539	520,638
Loss on sale of property, plant, and equipment	215,409	3,566,218
(Gain) loss on termination of lease contracts	(380,241)	1,018,631
Gain on sale of investment properties	-	(99,475,744)
Finance costs	108,270,288	80,937,269
Income from deposits and other investments	(4,452,705)	(15,278,358)
Share in profit or loss of associates and joint venture, net	(32,334,777)	(18,914,599)
Provision for shrinkage, and slow-moving inventory	19,879,850	3,278,665
Provision (reversal of provision) for expected credit losses	896,519	(2,663,218)
Legal and other provisions	(806,175)	(2,300,548)
Obligation for employees' end-of-service benefits	34,760,869	32,167,740
	674,372,762	614,091,718
<u>Changes in:</u>		
Inventories	(18,645,937)	(115,528,032)
Trade receivables	(7,927,802)	(3,437,217)
Prepayments and other current assets	(32,615,171)	(43,194,808)
Accounts payable	110,882,913	82,917,475
Accruals and other current liabilities	(5,433,071)	(605,087)
	720,633,694	534,244,049
Employees' end-of-service benefits paid	(23,965,354)	(23,331,727)
Zakat and foreign tax paid	(16,694,699)	(13,561,779)
Net cash flows generated from operating activities	679,973,641	497,350,543
<u>CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES</u>		
Proceeds from sale of property, plant, and equipment	1,662,349	1,084,790
Proceeds from sale of investment properties	-	186,568,704
Income from deposits and other investments received	6,610,693	16,723,410
Additions to property, plant, and equipment	(462,362,978)	(222,992,933)
Additions to investment properties	(43,079,004)	(185,293,581)
Additions to intangible assets	(657,000)	(1,759,080)
Short-term investments and Murabaha deposits	(279,000,000)	(701,537,500)
Redemptions of short-term investments and Murabaha deposits	294,000,000	1,021,537,500
Net cash flows (used in) generated from investing activities	(482,825,940)	114,331,310

The accompanying notes from (1) to (24) form an integral part of these interim condensed consolidated financial statements.

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

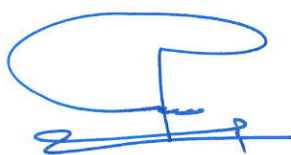
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) (CONTINUED)

For the nine-month period ended 30 September 2024

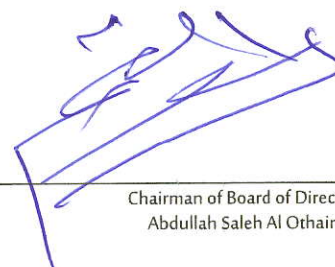
	For the nine-month period ended 30 September	
	2024	2023
	(Saudi Riyals)	
CASH FLOWS USED IN FINANCING ACTIVITIES		
Proceeds from short-term loans and Murabahat	1,500,000,000	405,000,000
Payments of short-term loans and Murabahat	(1,020,000,000)	(405,000,000)
Lease contracts liabilities, net	(209,229,772)	(200,912,400)
Finance costs paid	(7,771,095)	(1,387,571)
Dividends paid - shareholders of the Company	(540,000,000)	(517,500,000)
Dividends paid - non-controlling interests	(4,804,800)	(2,562,560)
Net cash flows used in financing activities	(281,805,667)	(722,362,531)
Net change in cash and cash equivalents	(84,657,966)	(110,680,678)
Cash and cash equivalents at the beginning of the period	181,775,625	313,074,107
Net exchange differences on translation of foreign currencies	1,563,496	461,803
Cash and cash equivalents at the end of the period	98,681,155	202,855,232
Significant non-cash transactions		
Additions to right-of-use assets against lease contracts liabilities (Note 7)	311,999,049	404,583,904
Net transfer from investment properties to property, plant, and equipment	-	660,746
Net transfer from property, plant, and equipment to investment properties	1,902,117	222,709



Chief Financial Officer
Marwan Ahmed Ibrahim



Chief Executive Officer
Muaffaq A. Mobarah



Chairman of Board of Directors
Abdullah Saleh Al Othaim

The accompanying notes from (1) to (24) form an integral part of these interim condensed consolidated financial statements.

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine-month periods ended 30 September 2024

(All amounts are presented in Saudi Riyals unless otherwise stated)

1. INFORMATION ABOUT THE COMPANY, ITS SUBSIDIARIES AND THEIR ACTIVITIES

Abdullah Al-Othaim Markets Company (the "Company" or "Parent Company") is a Saudi joint stock company registered in Riyadh, Kingdom of Saudi Arabia, under Commercial Register Number 1010031185, on 7 Rajab 1400H (corresponding to 21 May 1980). The Company changed from a limited liability company into a joint stock company according to the Ministerial Decree No.227/G on 3 Ramadhan 1428H (corresponding to 15 September 2007).

The main activities of the Company include wholesale and retail trade of food, fish, meat, agricultural products, livestock, and household items. The Company is also engaged in establishing, managing, operating and maintaining supermarkets, commercial complexes, and bakeries, providing cooked and uncooked catering services, and managing training and educational centers, in addition to acquiring lands to construct buildings for lease or sale for the interest of the Company. The Company also provides import, export, and marketing services to others.

The Company's headquarter is located in Riyadh, Al Andlus District Khurais Branch Road. PO Box 41700, Saudi Arabia.

The Company's fiscal year begins on 1 January and ends on 31 December of each Gregorian year.

On 5 June 2023, the General Assembly of shareholders approved a resolution to divide the nominal value of the share from SR 10 per share to SR 1 per share, as a result the number of shares increased from 90 million shares to 900 million shares. The Company's capital amounting to SR 900 million, consisting of 900 million shares of SR 1 per share.

The interim condensed consolidated financial statements include the financial statements of the Company and its controlled subsidiaries (collectively referred to as the "Group").

Below are the details of the subsidiaries listed in the interim condensed consolidated financial statements:

<u>Subsidiary</u>	<u>Country of Incorporation</u>	<u>Main Activity</u>	<u>Direct and Indirect ownership percentage %</u>	
			<u>30 September 2024</u>	<u>31 December 2023</u>
Haley Holding Company	Kingdom of Saudi Arabia	Wholesale and retail trade	100%	100%
Universal Marketing Centre Company	Kingdom of Saudi Arabia	Wholesale and retail trade	100%	100%
Seven Services Company	Kingdom of Saudi Arabia	Import, export and wholesale and retail trade	100%	100%
Bayt Al Watan Company	Kingdom of Saudi Arabia	Import, export and wholesale and retail trade	100%	100%
Marafeq Al Tashgheel Company	Kingdom of Saudi Arabia	General contracting for building	100%	100%
Abdullah Al Othaim Markets – Egypt	Arab Republic of Egypt	Wholesale and retail	100%	100%
Thamarat Al Qassim Company	Kingdom of Saudi Arabia	Cultivation of vegetables and fodder	100%	100%
Shurofat Al Jazeerah Company	Kingdom of Saudi Arabia	General contracting and operation of commercial complexes	100%	100%
Mueen for Human Resources Company	Kingdom of Saudi Arabia	Labor services	68%	68%

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

For the three and nine-month periods ended 30 September 2024

(All amounts are presented in Saudi Riyals unless otherwise stated)

1. INFORMATION ABOUT THE COMPANY, ITS SUBSIDIARIES AND THEIR ACTIVITIES (CONTINUED)

The following is a summary of the controlled subsidiaries whose financial statements have been consolidated in these interim condensed consolidated financial statements:

Haley Holding Company

A limited liability company that operates under commercial registration number 1010314228 issued in Riyadh on 9 Ramadhan 1432H (corresponding to 9 August 2011). The main activities of the company are investment in other companies to obtain control over them, wholesale and retail trading of food products, wheat, rice, meat, fish, home products, computer services (application systems and data bases), import and export services, marketing, maintenance of training and entertaining centers and cooked and uncooked catering services.

Universal Marketing Centre Company

A limited liability company that operates under commercial registration number 1010314201 issued in Riyadh on 9 Ramadhan 1432H (corresponding to 9 August 2011). The main activities of the company are investment in other companies to obtain control over them, wholesale and retail trading of food products, wheat, rice, meat, fish, home products, vehicles spare parts, computer services (application systems and data bases), import and export services, marketing, Maintenance of training and entertaining centers and cooked and uncooked catering services.

Seven Services Company

A limited liability company that operates under commercial registration number 1010320848 issued in Riyadh on 2 Muharram 1433H (corresponding to 27 November 2011). The main activities of the company are importing, exporting, wholesale and retail trading of ready-made clothes, sport clothes, jewelry, sewing tools, bags, leather products, decorations, dropped ceilings, vehicles spare parts, agricultural produce, in addition to providing importing and exporting services on behalf of others, establishing agriculture projects, and operating and managing bakeries and cafes.

The process of transferring all assets and liabilities related to Seven Services Company is currently being under process to become one of the branches of Abdullah Al-Othaim Markets Company. A new commercial registration number 1010877599, issued in Riyadh on 11 Shawwal 1444H (corresponding to 1 May 2023) was established for Seven Services Company. The management has the intention to liquidate and voluntarily dissolve Seven Services Company, however, the legal formalities to liquidate the company was not completed as at the date of the interim condensed consolidated financial statements.

Bayt Al Watan Company

A limited liability company that operates under commercial registration number 1010320847 issued in Riyadh on 2 Muharram 1433H (corresponding to 27 November 2011). The main activities of the company are importing, exporting, and retail and whole sales trading of fruits and vegetables, fish, dairy products, ghee, olive, halawa, pasta, soft drinks, in addition to providing importing, exporting, and marketing services for others, maintenance of training, entertainment, and sports centers, general contracting, construction, maintenance, demolition and restoration and electrical and electronic works.

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

For the three and nine-month periods ended 30 September 2024

(All amounts are presented in Saudi Riyals unless otherwise stated)

1. INFORMATION ABOUT THE COMPANY, ITS SUBSIDIARIES AND THEIR ACTIVITIES (CONTINUED)

Marafeq Al Tashgheel Company

A limited liability company that operates under commercial registration number 1010321917 issued in Riyadh on 15 Muharram 1433H (corresponding to 10 December 2011). The main activities of the Company include general constructions and renovation of residential and non-residential buildings such as schools, hospitals, hotels, on-site ready-made houses, and restoration of residential and non-residential buildings.

Abdullah AL Othaim Markets - Egypt

A joint stock company that operates under commercial registration number 55010 issued in Arab Republic of Egypt on 20 Dhu Al-Hijjah 1432H (corresponding to 16 November 2011). The main activities of the company are wholesale, retail trading, and general trade.

Thamarat Al Qassim Company

A limited liability company operating under commercial registration number 1010378315 issued in Riyadh on 30 Rajab 1434H (corresponding to 9 June 2013), the main activities are in the agriculture, fodder, livestock and poultry breeding, import and export services, marketing to others, and the purchase of land to build buildings on them and invest them by selling or renting and the exploitation of real estate and lands for the benefit of the company.

On 25 Rabi Al-Thani 1444H (corresponding to 19 November 2022), all assets and liabilities related to Thamarat Al-Qassim Company were transferred to become one of the branches of Abdullah Al-Othaim Markets Company. A new commercial registration number 1010841207, issued in Riyadh on 21 Rabi' al-Thani 1444H (corresponding to 15 November 2022) was established for Thamarat Al Qassim Company. The management has the intention to liquidate and voluntarily dissolve Thamarat Al Qassim Company, however, the legal formalities to liquidate the company was not started as at the date of the interim condensed consolidated financial statements.

Shoufat Al Jazeerah Company

A limited liability company that operates under commercial registration number 1010228732 issued in Riyadh on 2 Safar 1428H (corresponding to 20 February 2007). The main activities of the company are general contracting and operating commercial complexes.

On 13 Rajab 1445H (corresponding to 25 January 2024), all assets and liabilities related to Shoufat Al Jazeerah Company were transferred to become one of the branches of Abdullah Al-Othaim Markets Company. A new commercial registration number 1010878137, issued in Riyadh on 12 Shawwal 1444H (corresponding to 2 May 2023) was established for Shoufat Al Jazeerah Company. The management has the intention to liquidate and voluntarily dissolve Shoufat Al Jazeerah Company, however, the legal formalities to liquidate the company was not started as at the date of the interim condensed consolidated financial statements.

Mueen for Human Resources Company

A closed joint stock company that operates under commercial registration number 1010435202 issued in Riyadh on 6 Ramadan 1436H (corresponding to 23 June 2015). The main activities of the company are providing labor services regarding household workers and workers for both public and private sectors under an authorization from the Ministry of Human Resources and Social Development No. UMM 24 issued on 23 Dhu Al-Hijjah 1436H (corresponding to 16 October 2015).

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

For the three and nine-month periods ended 30 September 2024

(All amounts are presented in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION

2-1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The interim condensed consolidated financial statements do not include all disclosures required in the full annual consolidated financial statements and therefore, should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2023. In addition, the interim period is considered an integral part of the whole year, however, the results of the three and nine-month periods ended 30 September 2024 may not be fair indication of the results for year ending 31 December 2024.

2-2 Basis of measurement

The interim condensed consolidated financial statements have been prepared at historical cost, except for the following significant items stated in the interim condensed consolidated statement of financial position as follows:

- Investment in equity instruments at fair value through other comprehensive income is measured at fair value.
- Obligation for the end-of-service benefits is measured at the present value of future obligations using the projected unit credit method.

2-3 Functional and presentation currency

The interim condensed consolidated financial statements are presented in Saudi Riyals, which is the functional currency of the Company, and presentation currency of the Group. All amounts in the interim condensed consolidated financial statements are in Saudi Riyals unless otherwise stated.

2-4 Use of judgments and estimates

The preparation of these interim condensed consolidated financial statements requires management to use judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

The significant estimates made by management when applying the Group's accounting policies and significant sources of estimation uncertainty were similar to those disclosed in the Group's consolidated financial statements for the year ended 31 December 2023.

3. BASIS FOR CONSOLIDATING THE FINANCIAL STATEMENTS

The Group's interim condensed consolidated financial statements include the financial statements of the Company and the subsidiaries under its control. Control is achieved when the Company is exposed to, or has the right to, different returns from its association with the investee company, and has the ability to affect these returns through its power over the investee company.

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

For the three and nine-month periods ended 30 September 2024

(All amounts are presented in Saudi Riyals unless otherwise stated)

3. BASIS FOR CONSOLIDATING THE FINANCIAL STATEMENTS (CONTINUED)

Specifically, control of the Company over an investee is achieved only when the following three elements are met:

- Power over the investee (i.e., existing rights that give it the current ability to direct the activities of interest to the investee).
- Exposure to, or the right to, variable returns in return for its association with the investee company.
- The ability to use its power over the investee to influence its returns.

In general, there is an assumption that having a majority of voting rights results in control. In support of this presumption, when the Company has less than a majority of voting or similar rights in an investee, the Company considers all facts and circumstances to assess whether it has power over an investee, including:

- Contractual arrangements with other voting rights holders in the investee company.
- Rights arising from other contractual arrangements.
- The Company's special voting rights and any potential voting rights.

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there is a change in one or more of the three elements of control. Consolidation of a subsidiary begins from the date when the Company obtains control over the subsidiary and ceases when the Company loses control over the subsidiary.

Assets, liabilities, revenues, and expenses of a subsidiary acquired are included in the consolidated financial statements from the date the Company obtains control until the date the Company ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income is attributed to the shareholders of the company and to the non-controlling interest even if this results in the balance of the non-controlling interest being in deficit, meaning that losses are recorded on the non-controlling interest even if this leads to a deficit in the balance of non-controlling interest.

When consolidating the financial statements, adjustments are made to the interim condensed consolidated financial statements of subsidiaries, if necessary, in order to be in line with the accounting policies of the Company. All intra-group assets, liabilities, equity, revenues, expenses, and cash flows related to transactions between members of the Group are eliminated.

Changes in the ownership of subsidiaries under control that do not result in loss of control are treated as equity transactions.

If the Group loses control over the subsidiary, it would:

- Derecognize the related assets and liabilities of the invested subsidiary.
- Derecognize the carrying amount of any non-controlling interest.
- Derecognize accumulated exchange differences recognized in equity.
- Recognize the fair value of the consideration received.
- Recognize the fair value of any held investment.
- Recognize any surplus or deficit in the consolidated statement of income.
- Reclassify its share of items previously recognized in other comprehensive income to the statement of income or transfer directly to retained earnings, if necessary, in accordance with other international standards.

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

For the three and nine-month periods ended 30 September 2024

(All amounts are presented in Saudi Riyals unless otherwise stated)

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those policies in the Group's annual consolidated financial statements for the year ended 31 December 2023.

5. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

There are a number of amendments to the standards that are effective as at 1 January 2024, but they do not have a material impact on the interim condensed consolidated financial statements of the Group:

- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements.
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback.
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current.
- Amendments to IAS 1: Non-current Liabilities with Covenants.

6. PROPERTY, PLANT AND EQUIPMENT

During the nine-month period ended 30 September 2024, the Group acquired property, plant, and equipment with a total cost of SR 462,36 million (30 September 2023: SR 222,99 million).

During the nine-month period ended 30 September 2024, the Group disposed property, plant, and equipment with a net book value of SR 1,88 million (30 September 2023: SR 4,65 million), of which the disposal of those property, plant, and equipment resulted in a capital losses of SR 412 thousand and SR 215 thousand for the three and nine-month periods ended 30 September 2024, respectively. (For the three and nine-month periods ended 30 September 2023: capital loss of SR 3,76 million and SR 3,57 million, respectively).

During the nine-month period ended 30 September 2024, depreciation expense amounted to SR 148,24 million (30 September 2023: SR 130,30 million).

7. RIGHT-OF-USE ASSETS

During the nine-month period ended 30 September 2024, the net additions to right-of-use assets amounted to SR 312 million (30 September 2023: SR 404.58 million).

During the nine-month period ended 30 September 2024, depreciation expense amounted to SR 151.3 million (30 September 2023: SR 144,5 million).

8. INVESTMENT PROPERTIES

Investment properties represent commercial centers, exhibitions, buildings, and its lands, which are mainly held for investment and leasing to others. Additionally, investment properties also include buildings built on leased lands.

During the nine-month period ended 30 September 2024, the Group acquired investment properties with a total cost of SR 43 million (30 September 2023: SR 185,29 million).

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

For the three and nine-month periods ended 30 September 2024

(All amounts are presented in Saudi Riyals unless otherwise stated)

8. INVESTMENT PROPERTIES (CONTINUED)

During the nine-month period ended 30 September 2024, depreciation expense amounted to SR 18,11 million (30 September 2023: SR 19,65 million).

The Group has some buildings owned as investment properties with a net book value of SR 82.2 million (31 December 2023: SR 98.6 million) that are built on lands leased from third parties.

The fair value of the investment properties as at 31 December 2023 amounted to SR 931 million evaluated by qualified and independent experts. The following are the data of the real estate appraiser:

Name: Elite Real Estate Valuation Company

Qualifications: Membership of the Saudi Authority for Accredited Valuers

License number: 1210001377

The fair value was measured according to the applicable valuation techniques (market comparison approach, income approach, and residual value approach).

The Group has some lands that are not available for disposal, use or development at the present time, for reasons related to the regulation of areas in which these lands located by the competent government bodies. Based on its best estimates, management believes that there are no indications as of the date of preparation of the interim condensed consolidated financial statements that would affect the recoverable value of those lands. These estimates may vary depending on the results of the work of the competent government bodies. As at 30 September 2024, the book value of these lands amounted to SR 27.5 million (31 December 2023: SR 27.5 million).

9. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

Below are the details of the companies included in the interim condensed consolidated financial statements which are accounted for using the equity method:

Company	Country of Incorporation	Ownership percentage %	
		30 September 2024	31 December 2023
AlWousta Food Services Company - Associate ⁽¹⁾	Kingdom of Saudi Arabia	25%	25%
Riyadh Food Industries Company - Associate ⁽²⁾	Kingdom of Saudi Arabia	55%	55%
Gulf Flour Milling Industrial Company - Joint venture ⁽³⁾	Kingdom of Saudi Arabia	33.33%	33.33%

(1) The main activities of the company are managing, operating, and monitoring of Al Baik restaurants in Riyadh, Qassim, Hail and Al Jouf. The Company is a limited liability company and the headquarter of the company is in Jeddah. The investment of the Group in this company has been classified as an investment in associate company since there is a significant influence over the company.

(2) The main activities of the company are the purchase of lands to construct buildings for manufacturing plants for the purpose of investment for its own interest, management, maintenance, and development of manufacturing plants for others, marketing food and consumable goods, and whatever necessary to establish or participate in shops and markets, import and export of food and consumable goods. The investment of the

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**For the three and nine-month periods ended 30 September 2024**

(All amounts are presented in Saudi Riyals unless otherwise stated)

9. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (CONTINUED)

Group in this company has been classified as an investment in associate company since there is a significant influence over the company with no control.

- (3) The main activities of the company are packaging and grinding grains, flour manufacturing, feed manufacturing, and storage in grain silos, in accordance with the ministry of investment license number 101034210105632, dated 15 Shawwal 1442H (corresponding to 27 May 2021). The investment of the Group in this company has been classified as an investment in joint arrangements (joint venture) since there is a joint control over the company with other parties.

a) Summary of investment movements during the period/year

	30 September 2024	31 December 2023
Balance at the beginning of the period/ year	194,797,870	162,268,640
Share in profit or loss of associates and joint venture	32,334,777	32,334,627
Share in other comprehensive (loss) income of associates and joint venture	(115,403)	194,603
Balance at the end of the period/ year	227,017,244	194,797,870

b) Investments in associates and joint venture balances

	30 September 2024	31 December 2023
Gulf Flour Milling Industrial Company - Joint venture	155,288,452	126,520,685
Riyadh Food Industries Company - Associate	40,193,511	37,601,229
AlWousta Food Services Company - Associate	31,535,281	30,675,956
	227,017,244	194,797,870

10. CASH AND CASH EQUIVALENTS

	30 September 2024	31 December 2023
Cash at banks	65,384,671	108,834,825
Cash on hand	33,296,484	32,940,800
Short-term Murabaha deposits ^(*)	-	40,000,000
	98,681,155	181,775,625

(*) Short-term Murabaha deposits included in cash and cash equivalents are deposits with original maturities of less than three months. These deposits are with local banks and earn interest at prevailing market rates.

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**For the three and nine-month periods ended 30 September 2024**

(All amounts are presented in Saudi Riyals unless otherwise stated)

11. OBLIGATION FOR EMPLOYEES' END-OF-SERVICE BENEFITS

	30 September 2024	31 December 2023
Balance at the beginning of the period/ year	294,561,348	249,589,307
Service cost	34,760,869	42,628,399
Cost of discount factor	11,737,878	11,158,356
Paid during the period/ year	(23,965,354)	(30,329,650)
Actuarial losses from remeasurement of obligation for employees' end-of-service benefits	13,005,400	21,514,936
Balance at the end of the period/ year	330,100,141	294,561,348

12. LOANS AND SHORT-TERM MURABAHA

The Group utilizes Islamic bank facilities (Murabaha) to finance its trade operations. These facilities bear financing costs at prevailing market rates. These facilities are secured by promissory notes under the name of the Company.

During the nine-month period ended 30 September 2024, the Group obtained short-term loans in the amount of SAR 1,500 million, and paid loans in the amount of SAR 1,020 million. The purpose of these short-term loans is to finance the working capital requirements of the Group and bear an interest rate according to prevailing interest rates.

As at 30 September 2024, the available and unused facilities for the purposes of meeting the Group's obligations when due amounted to SR 797 million (31 December 2023: SR 1,095 million).

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

For the three and nine-month periods ended 30 September 2024

(All amounts are presented in Saudi Riyals unless otherwise stated)

13. RELATED PARTIES

Related parties represent shareholders, Directors and key management personnel of the Group. And entities controlled, jointly controlled or significantly influenced by such parties. Management of the Group approved a policy for prices and conditions for transactions with related parties. Transactions with related parties are mainly represented in rental income and expenses, purchases of inventory, and labor services.

Related party

Al-Othaim Holding Company

Abdullah Al-Othaim for Investment Company

AlWousta Food Services Company

Riyadh Food Industries Company

Gulf Flour Milling Industrial Company

General Organization of Social Insurance

Almarai Company

Al-Jouf Agricultural Development Company

The Arabic Company for Agricultural Services "ARASCO"

Members of the Board of Directors and Senior Management

Abdullah Al-Othaim for Fashion Company

Abdullah Al-Othaim for Entertainment Company

Emtiyaz Al Riyadh Trading Company

Fourth Milling Company

Rimal Al Sawahil for Contracting and Maintenance

Radial Construction and Development Contracting Company (Previously
Saudi Pillar for Contracting)

Bait Alshateera Fast Food Restaurants Company

National Food Industries Company

National Biscuits & Confectionery Co. Ltd

Nature of relationship

Founding shareholder

Related to the Chairman of the Board of Directors

Associate

Associate

Joint venture

Related to a Board of Directors member

Related to a Board of Directors member

Related to a Board of Directors member

Related to a Board of Directors member

Group's management

Related to the Chairman of the Board of Directors

Related to the Chairman of the Board of Directors

Related to the Chairman of the Board of Directors

Subsidiary of an associate

Founding shareholder of a subsidiary

Related to the Chairman of the Board of Directors

Related to a Board of Directors member

Related to a Board of Directors member

Related to a Board of Directors member

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**For the three and nine-month periods ended 30 September 2024**

(All amounts are presented in Saudi Riyals unless otherwise stated)

13. RELATED PARTIES (CONTINUED)

Transactions with related parties for the nine-month period ended 30 September 2024 are as follows:

<u>Related Party</u>	<u>Rent Expense</u>	<u>Rental Income</u>	<u>Purchase of Inventory</u>	<u>Labor Revenues and Others</u>	<u>Labor Expenses and Others</u>
Abdullah Al-Othaim for Investment Company	10,909,423	26,199,000	-	-	3,597,619
AlWousta Food Services Company	-	478,406	-	-	-
Riyadh Foods Industries Company	-	-	61,160,638	2,032,736	-
General Organization of Social Insurance	4,114,199	-	-	-	-
Almarai Company	-	-	429,275,400	-	-
Al-Jouf Agricultural Development Company	-	-	30,491,387	-	-
The Arabic Company for Agricultural Services "ARASCO"	-	-	21,304,717	-	-
Bait Alshateera Fast Food Restaurants Company	-	242,729	-	-	-
Rimal Al Sawahil for Contracting and Maintenance	-	-	-	23,526,788	-
Abdullah Al-Othaim for Entertainment Company	-	1,144,390	-	-	-
Fourth Milling Company	-	-	6,232,725	-	-
National Food Industries Company	-	-	31,554,383	-	-
National Biscuits & Confectionery Co. Ltd	-	-	10,471,808	-	-

Transactions with related parties for the nine-month period ended 30 September 2023 are as follows:

<u>Related Party</u>	<u>Rent Expense</u>	<u>Rental Income</u>	<u>Purchase of Inventory</u>	<u>Labor Revenues and Others</u>	<u>Labor Expenses and Others</u>	<u>Sale of Investment Properties</u>
Abdullah Al-Othaim for Investment Company	10,494,575	27,288,413	-	-	3,554,561	186,568,704
AlWousta Food Services Company	-	457,252	-	-	-	-
Riyadh Foods Industries Company	-	-	72,008,049	48,821	92,591	-
General Organization of Social Insurance	4,408,192	-	-	-	-	-
Almarai Company	-	-	371,120,908	-	-	-
Al-Jouf Agricultural Development Company	-	-	28,770,854	-	-	-
The Arabic Company for Agricultural Services "ARASCO"	-	-	22,184,738	-	-	-
Bait Alshateera Fast Food Restaurants Company	-	298,688	-	-	-	-
Abdullah Al-Othaim for Fashion Company	-	131,644	-	-	-	-
Rimal Al Sawahil for Contracting and Maintenance	-	-	-	14,787,488	-	-
Abdullah Al-Othaim for Entertainment Company	-	1,141,565	-	150,743	-	-
Fourth Milling Company	-	-	7,071,228	517,546	-	-
Radial Construction and Development Contracting Company	-	-	-	-	5,783,282	-
National Food Industries Company	-	-	41,124,079	-	-	-
National Biscuits & Confectionery Co. Ltd	-	-	9,454,556	-	-	-

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**For the three and nine-month periods ended 30 September 2024**

(All amounts are presented in Saudi Riyals unless otherwise stated)

13. RELATED PARTIES (CONTINUED)

Below are the board members and senior management benefits during the period:

	Charged to comprehensive income	
	30 September 2024	30 September 2023
Short term benefits	24,522,337	20,357,817
Post-employment benefits	878,165	988,444
	25,400,502	21,346,261

Below are the balances due from/to related parties:

Amounts due from related parties (included in trade receivables)	30 September 2024	31 December 2023
Rimal Al Sawahil for Contracting and Maintenance	13,037,117	12,669,700
Bait Alshateera Fast Food Restaurants Company	2,776	2,776
	13,039,893	12,672,476

Amounts due to related parties (included in accounts payable)	30 September 2024	31 December 2023
Almarai Company	129,590,681	127,147,413
Riyadh Foods Industries Company	24,402,657	28,987,799
The Arabic Company for Agricultural Services (ARASCO)	8,410,629	3,994,542
Al-Jouf Agricultural Development Company	7,226,936	2,706,170
National Food Industries Company	8,931,805	11,084,277
National Biscuits & Confectionery Co. Ltd	4,039,185	3,746,257
Abdullah Al-Othaim for Investment Company	1,260,308	1,155,300
Fourth Milling Company	968,085	1,357,085
Radial Construction and Development Contracting Company	-	1,071,403
	184,830,286	181,250,246

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**For the three and nine-month periods ended 30 September 2024**

(All amounts are presented in Saudi Riyals unless otherwise stated)

14. ZAKAT AND FOREIGN TAX**14-1 Zakat Provision**

Zakat is calculated on the basis of adjusted net income or zakat base whichever is higher according to the Regulations of the Zakat, Tax and Customs Authority ("ZATCA") in Saudi Arabia. Due to the negative Zakat base, Zakat is calculated in the current period on the basis of the adjusted net income method.

The movement in zakat provision is as follows:

	<u>30 September 2024</u>	<u>31 December 2023</u>
Balance at the beginning of period/ year	35,985,139	33,214,023
Charged for the period/ year	8,599,184	16,794,596
Zakat reversal for prior years – Adjustments	(17,692,592)	(800,039)
Paid during the period/ year	(16,613,354)	(13,223,441)
Balance at the end of period/ year	<u>10,278,377</u>	<u>35,985,139</u>

- The Group submitted its consolidated zakat declarations for all years up to 2023 and paid zakat liabilities accordingly.
- As at the date of the financial statements, the Group finalized the Zakat status for all previous years (except for the years 2012 and 2013) until 2022.
- Resulting from what is mentioned above, there was a reversal in the provision in the amount of SAR 17,7 million from the provision built during prior years.
- Subsequent to the date of the financial statements, the Company finalized its Zakat status for the year 2023.

14-2 Foreign tax

Abdullah Al-Othaim Markets Company – Egypt (Subsidiary) is subject to the Egyptian Corporate Income Tax Law No. 91 of 2005 and its amendments. The company has submitted its tax returns to the Tax Authority for all years up to 2023 within the legal deadlines, and all tax returns have been examined up to 2020.

	<u>30 September 2024</u>	<u>31 December 2023</u>
Balance at the beginning of period/ year	1,036,832	-
Charged for the period/ year	323,478	1,011,233
Paid during the period/ year	(81,345)	-
Foreign tax translation differences	(396,042)	25,599
Balance at the end of period/ year	<u>882,923</u>	<u>1,036,832</u>

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**For the three and nine-month periods ended 30 September 2024**

(All amounts are presented in Saudi Riyals unless otherwise stated)

15. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY

Earnings per share for the ordinary shareholders for the periods ended 30 September 2024 and 30 September 2023 are calculated based on the weighted average number of shares outstanding during the period. The Group does not have any dilutive instruments, accordingly, the diluted earnings per share is equal to the basic earnings per share.

16. SEGMENTAL INFORMATION

The Group is engaged mainly in food supplies retail and wholesale. The Group operates in the Kingdom of Saudi Arabia and Arab Republic of Egypt, in addition to leasing commercial centers for the purpose of sale or lease for the interest of the Group. The results of the segments are reviewed by the Group's executive management. Revenues, profits, assets, and liabilities are measured using the same accounting principles used in the preparation of the interim condensed consolidated financial statements.

a. Selected information for each business segment is summarized below:**Interim condensed consolidated statement of financial position as at 30 September 2024 (unaudited)**

<u>Item</u>	<u>Retail and Wholesale</u>	<u>Real Estate and Leasing</u>	<u>Others</u>	<u>Total</u>
Property, plant, and equipment	1,980,294,516	-	39,310,632	2,019,605,148
Right-of-use assets	1,854,733,350	185,235,970	5,368,955	2,045,338,275
Other non-current assets	-	-	33,373,483	33,373,483
Investment properties	-	703,919,099	-	703,919,099
Intangible assets	2,511,476	-	-	2,511,476
Assets held for sale	-	-	1,011,367	1,011,367
Total assets	5,137,826,381	893,051,316	450,978,564	6,481,856,261
Total liabilities	5,049,429,940	255,636,524	98,397,275	5,403,463,739

Consolidated statement of financial position as at 31 December 2023 (audited)

<u>Item</u>	<u>Retail and Wholesale</u>	<u>Real Estate and Leasing</u>	<u>Others</u>	<u>Total</u>
Property, plant, and equipment	1,708,985,814	-	7,058,103	1,716,043,917
Right-of-use assets	1,706,373,790	196,401,395	5,734,394	1,908,509,579
Other non-current assets	-	-	24,769,504	24,769,504
Investment properties	-	677,049,309	-	677,049,309
Intangible assets	2,219,015	-	-	2,219,015
Assets held for sale	-	-	1,011,367	1,011,367
Total assets	4,749,548,246	879,284,807	414,682,040	6,043,515,093
Total liabilities	4,303,385,926	257,656,507	82,325,912	4,643,368,345

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

For the three and nine-month periods ended 30 September 2024

(All amounts are presented in Saudi Riyals unless otherwise stated)

16. SEGMENTAL INFORMATION (CONTINUED)

Interim condensed consolidated statement of income for the nine-month period ended 30 September 2024 (unaudited)

<u>Item</u>	<u>Retail and Wholesale</u>	<u>Real Estate and Leasing</u>	<u>Others</u>	<u>Total</u>
Sales	7,846,375,614	-	297,322,018	8,143,697,632
Sales outside the Group	7,846,375,614	-	219,319,457	8,065,695,071
Rental income outside the Group	-	110,439,409	-	110,439,409
Inter-segment sales and income	-	46,250	78,002,561	78,048,811
Total income, sales commissions, and net rental income	1,695,790,928	68,411,587	40,611,018	1,804,813,533
Operating profit	215,937,867	68,411,587	8,193,507	292,542,961

Interim condensed consolidated statement of income for the nine-month period ended 30 September 2023 (unaudited)

<u>Item</u>	<u>Retail and Wholesale</u>	<u>Real Estate and Leasing</u>	<u>Others</u>	<u>Total</u>
Sales	7,468,743,474	-	236,081,757	7,704,825,231
Sales outside the Group	7,468,743,474	-	182,347,866	7,651,091,340
Rental income outside the Group	-	108,116,975	-	108,116,975
Inter-segment sales and income	-	45,000	53,733,891	53,778,891
Total income, sales commissions, and net rental income	1,585,331,308	64,317,540	39,046,750	1,688,695,598
Operating profit	198,756,345	64,317,540	11,153,391	274,227,276

b. Distribution of retail and wholesale sales and rental income on geographical regions as follows:

For the nine-month period ended 30 September 2024 (unaudited)

<u>Geographical area</u>	<u>Retail and Wholesale</u>	<u>Percentage %</u>	<u>Real Estate and Leasing</u>	<u>Percentage %</u>	<u>Others</u>	<u>Percentage %</u>
Kingdom of Saudi Arabia	7,677,152,694	97.8%	110,250,336	99.8%	219,319,457	100%
Arab Republic of Egypt	169,222,920	2.2%	189,073	0.2%	-	0.0%
Total	7,846,375,614	100%	110,439,409	100%	219,319,457	100%

For the nine-month period ended 30 September 2023 (unaudited)

<u>Geographical area</u>	<u>Retail and Wholesale</u>	<u>Percentage %</u>	<u>Real Estate and Leasing</u>	<u>Percentage %</u>	<u>Others</u>	<u>Percentage %</u>
Kingdom of Saudi Arabia	7,314,147,512	97.9%	107,882,165	99.8%	182,347,866	100%
Arab Republic of Egypt	154,595,962	2.1%	234,810	0.2%	-	0.0%
Total	7,468,743,474	100%	108,116,975	100%	182,347,866	100%

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**For the three and nine-month periods ended 30 September 2024**

(All amounts are presented in Saudi Riyals unless otherwise stated)

17. RENTAL INCOME, NET

	For the three-month period ended 30		For the nine-month period ended 30	
	September		September	
	2024	2023	2024	2023
Stores rental income	27,712,232	29,480,645	83,245,667	87,425,980
Marketing rental income	9,668,676	7,446,604	27,193,742	20,690,996
Total rental income	37,380,908	36,927,249	110,439,409	108,116,976
Rental expenses	(13,895,750)	(15,153,619)	(42,027,822)	(43,799,436)
Net rental income	23,485,158	21,773,630	68,411,587	64,317,540

18. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Group has the following contingent liabilities and capital commitments:

	30 September 2024	31 December 2023
Letters of guarantee (*)	107,041,893	95,402,468
Letters of credit	22,731,268	57,468,874
Commitments on capital work in progress	219,031,570	43,851,564
Long-term capital contracts	17,554,854	25,198,296

(*) The balance includes an amount of SR 85.71 million (31 December 2023: SR 85.71 million) related to promissory note issued under the name of the Company as a guarantee for bank facilities obtained by Riyadh Foods Industries Company (Associate).

19. FINANCE CHARGES

	For the three-month period ended 30		For the nine-month period ended 30	
	September		September	
	2024	2023	2024	2023
Finance costs on lease contracts liabilities	31,430,997	24,728,271	88,761,315	71,736,967
Cost of discount factor on obligation for employees' end of service benefits	4,181,327	2,662,311	11,737,878	7,812,731
Finance costs on short-term loans	5,685,842	-	7,771,095	1,387,571
	41,298,166	27,390,582	108,270,288	80,937,269

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**For the three and nine-month periods ended 30 September 2024**

(All amounts are presented in Saudi Riyals unless otherwise stated)

20. FOREIGN CURRENCY TRANSLATION DIFFERENCES

Losses arising from the foreign currency translation differences included in the interim condensed consolidated statement of comprehensive income amounted to SR 2,852,637 during the nine-month period ended 30 September 2024 (30 September 2023: gains amounted to SR 102,907), which is mainly due to exchange difference resulted from the Company's net investment in its subsidiary in Egypt, whose functional currency is the Egyptian Pound, which has been affected by the devaluation since March 2022 by the Egyptian Authorities. The Egyptian Authorities decided during the previous periods to adopt a flexible exchange policy in which the Egyptian Pound is subject to a pricing policy based on supply and demand forces against other foreign currencies.

21. COMPARATIVE FIGURE

Certain comparative figures for the previous period have been reclassified to be in line with the presentation of the current period. The reclassifications shown below have no impact on the net profit, retained earnings, or previously disclosed financial positions:

Interim condensed consolidated statement of financial position as at 31 December 2023

	Balances as previously presented	Reclassification	Balances as currently presented
Prepayments and other receivables	166,641,038	(1,643,856)	164,997,182
Short-term investments and Murabaha deposits	35,000,000	1,643,856	36,643,856
		-	

Interim condensed consolidated statement of income for the nine-month period ended 30 September 2023

	Balances as previously presented	Reclassification	Balances as currently presented
Net sales	7,640,350,835	10,740,505	7,651,091,340
Cost of sales	(6,018,565,787)	(9,922,616)	(6,028,488,403)
Rental income, net	62,947,019	1,370,521	64,317,540
General and administrative expenses	(116,642,449)	230,995	(116,411,454)
Selling and marketing expenses	(1,295,637,463)	(2,419,405)	(1,298,056,868)
		-	

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

For the three and nine-month periods ended 30 September 2024

(All amounts are presented in Saudi Riyals unless otherwise stated)

22. DIVIDENDS

- On 5 August 2024, the Board of Directors decided to distribute interim cash dividends to shareholders for the second quarter of 2024 with a total amount of SR 135 million, at SR 0.15 per share. The dividends were paid during the third quarter of 2024.
- On 20 May 2024, the General Assembly of the shareholders of Mueen for Human Resources Company (subsidiary) decided to distribute dividends to the Company's shareholders for the fiscal year ended 31 December 2023, with a total amount of SR 15,015,000 of which SR 4,804,800 represent distributions to non-controlling interests.
- On 12 May 2024, the Board of directors decided to distribute interim cash dividends to the shareholders for the first quarter of 2024, amounting to SR 135 million, at SR 0.15 per share. The dividends were paid during the second quarter of 2024.
- On 6 February 2024, the Board of directors decided to distribute interim cash dividends to the shareholders for the second half of 2023, amounting to SR 270 million, at SR 0.30 per share. The dividends were paid during the first quarter of 2024.
- On 9 August 2023, the Board of Directors decided to distribute interim cash dividends to shareholders for the first half of 2023 with a total amount of SR 270 million, at SR 0.3 per share. The dividends were paid during the third quarter of 2023.
- On 20 June 2023, the General Assembly of the shareholders of Mueen for Human Resources Company (subsidiary) decided to distribute dividends to the Company's shareholders for the fiscal year ended 31 December 2022, with a total amount of SR 8,008,000 of which SR 2,562,560 represent distributions to non-controlling interests.
- On 11 February 2023, the Board of Directors decided by circulation to distribute cash dividends to the shareholders for the fourth quarter of 2022 with a total amount of SR 247.5 million, at SR 2.75 per share. The dividends were paid during the first quarter of 2023.

23. SUBSEQUENT EVENTS

During the subsequent period to the interim condensed consolidated financial statements, the underwriting of the shares offered to Fourth Milling Company (Subsidiary for an associate company) was completed and listed for trading in the main market on 29 October 2024. Accordingly, net proceeds (after deducting expenses related to the offering) are expected to be approximately SR 836 million for the shareholder "Gulf Industrial Flour Milling Company", which the company owns (33.3%) of its capital, and the company's share of capital gains to be generated by Gulf Industrial Flour Milling Company is estimated to be approximately SR 160 million after Zakat and tax. The financial impact of this transaction is expected to be shown in the fourth quarter of the year 2024.

On October 1, 2024, the Extraordinary General Assembly of Shareholders approved the renewal of two land lease contracts in Dammam from the General Organization for Social Insurance, on which a shopping mall and showrooms are built, for a period of 15 years, at a total amount of SAR 331.5 million and SAR 91.2 million, respectively.

The Group's management believes that no additional material events have occurred after the end of the period that may require an adjustment or disclosure in these interim condensed consolidated financial statements.

24. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved by the Board of Director on 2 Jumada Al-Ula 1446H (corresponding to 4 November 2024).