

# **Foodco Holding PJSC**

Condensed consolidated interim financial information

**30 June 2021**

**Principal business address:**

P.O. Box 2378

Abu Dhabi

United Arab Emirates

# **Foodco Holding PJSC**

## Condensed consolidated interim financial information

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**Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information**

To the Shareholders of Foodco Holding PJSC

**Report on the Audit of the Financial Statements**

Introduction

We have reviewed the accompanying 30 June 2021 condensed consolidated interim financial information of Foodco Holding PJSC ("the Company") and its subsidiaries (collectively referred to as the "Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 30 June 2021;
- the condensed consolidated interim statement of profit or loss for the three month and six month periods ended 30 June 2021;
- the condensed consolidated interim statement of other comprehensive income for the three month and six month periods ended 30 June 2021;
- the condensed consolidated interim statement of changes in equity for the six month period ended 30 June 2021;
- the condensed consolidated interim statement of cash flows for the six month period ended 30 June 2021; and
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim 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 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 30 June 2021 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

*Other Matter*

The condensed consolidated interim financial information for the six month period ended 30 June 2020, was reviewed by another auditor who expressed an unmodified conclusion on that condensed consolidated interim financial information on 13 August 2020. The consolidated financial statements of the Group as at and for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified audit opinion on those consolidated financial statements on 16 March 2021.

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KPMG Lower Gulf Limited

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Saif Fayeze Shamer  
Registration No.: 1131  
Abu Dhabi, United Arab Emirates  
Date: 14 August 2021

## Foodco Holding PJSC

### Condensed consolidated interim statement of financial position

As at

	<i>Notes</i>	<b>30 June 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		61,994,857	63,611,726
Intangible assets		1,118,778	1,496,977
Right-of-use assets		8,434,471	12,780,173
Investment properties under development		-	5,518,050
Investment properties	5	258,714,106	258,714,106
Investments held at fair value through other comprehensive income ("FVTOCI")	6	177,106,015	163,068,927
Other assets		5,949,510	5,949,510
<b>Total non-current assets</b>		<b>513,317,737</b>	<b>511,139,469</b>
<b>Current assets</b>			
Inventories	7	31,073,221	39,186,104
Investments held at fair value through profit or loss ("FVTPL")	6	370,114,607	334,186,853
Trade and other receivables	8	17,690,112	29,663,637
Amounts due from related parties	13	874,112	1,302,780
Cash and cash equivalents	9	15,714,742	5,293,243
<b>Total current assets</b>		<b>435,466,794</b>	<b>409,632,617</b>
<b>Total assets</b>		<b>948,784,531</b>	<b>920,772,086</b>
<b>Equity</b>			
Share capital		120,000,000	120,000,000
Legal reserve		60,000,000	60,000,000
Regulatory reserve		60,000,000	60,000,000
Fair value reserve		(89,721,775)	(114,529,085)
Retained earnings		304,427,826	269,518,444
<b>Equity attributable to Owners of the Company</b>		<b>454,706,051</b>	<b>394,989,359</b>
Non-controlling interests		5,861,848	3,481,541
<b>Total equity</b>		<b>460,567,899</b>	<b>398,470,900</b>

... continued

# Foodco Holding PJSC

## Condensed consolidated interim statement of financial position (continued)

As at

	Notes	30 June 2021 AED (Unaudited)	31 December 2020 AED (Audited)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provision for employees' end of service benefits		3,953,293	3,995,667
Lease liabilities		8,335,240	6,480,312
Borrowings	10	93,395,004	88,237,280
<b>Total non-current liabilities</b>		<b>105,683,537</b>	<b>98,713,259</b>
<b>Current liabilities</b>			
Lease liabilities		624,965	8,837,771
Borrowings	10	315,785,922	342,761,518
Amounts due to related parties	13	671,541	2,449,219
Trade and other payables	11	65,450,667	69,539,419
<b>Total current liabilities</b>		<b>382,533,095</b>	<b>423,587,927</b>
<b>Total liabilities</b>		<b>488,216,632</b>	<b>522,301,186</b>
<b>Total shareholders' equity and liabilities</b>		<b>948,784,531</b>	<b>920,772,086</b>

To the best of our knowledge, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34.

These condensed consolidated interim financial information was approved and authorised for issue by the Board of Directors on 11/8/21, and was signed on their behalf by:



Ahmed Ali Khalil Al Dhaferi  
Chairman



Mohammed Hafez  
Chief Financial Officer

The notes set out on pages 10 to 28 form an integral part of these condensed consolidated interim financial information.

The independent auditors' report on review of these condensed consolidated interim financial information is set out on pages 1 and 2.

## Foodco Holding PJSC

Condensed consolidated interim statement of profit or loss  
for the period ended

	Notes	Three month period ended		Six month period ended	
		30 June		30 June	
		2021 AED (Unaudited)	2020 AED (Unaudited)	2021 AED (Unaudited)	2020 AED (Unaudited)
Income comprises:					
- Income from trading	12	8,619,645	15,354,720	24,412,451	37,640,638
- Income from investment properties	12	11,296,847	8,907,135	17,545,336	17,469,175
- Income / (loss) from investment in securities	12	22,992,503	10,862,803	42,254,725	(18,471,586)
		<u>42,908,995</u>	<u>35,124,658</u>	<u>84,212,512</u>	<u>36,638,227</u>
Cost of sales		<u>(7,949,744)</u>	<u>(18,723,344)</u>	<u>(22,316,347)</u>	<u>(41,413,513)</u>
<b>Gross profit / (loss)</b>		<b>34,959,251</b>	<b>16,401,314</b>	<b>61,896,165</b>	<b>(4,775,286)</b>
General and administrative expenses		<b>(6,266,460)</b>	(9,297,957)	<b>(10,582,340)</b>	(13,916,679)
Selling and distribution expenses		<b>(6,077,171)</b>	(1,530,050)	<b>(8,216,570)</b>	(3,835,259)
Impairment loss on trade receivables	8	<b>(305,102)</b>	(722,465)	<b>(305,102)</b>	(920,536)
Other (expenses) / income	12	<b>(722,144)</b>	(78,170)	<b>2,638,617</b>	58,269
<b>Operating profit / (loss)</b>		<b>21,588,374</b>	<b>4,772,672</b>	<b>45,430,770</b>	<b>(23,389,491)</b>
Finance costs		<b>(2,043,215)</b>	(6,853,557)	<b>(6,471,845)</b>	(13,485,406)
<b>Profit / (loss) for the period</b>		<b>19,545,159</b>	<b>(2,080,885)</b>	<b>38,958,925</b>	<b>(36,874,897)</b>
<b>Attributable to:</b>					
Owners of the Company		<b>19,626,034</b>	(1,993,709)	<b>39,127,915</b>	(36,766,818)
Non-controlling interests		<b>(80,875)</b>	(87,176)	<b>(168,990)</b>	(108,079)
		<u>19,545,159</u>	<u>(2,080,885)</u>	<u>38,958,925</u>	<u>(36,874,897)</u>
Basic and diluted earnings / (loss)	15	<u>0.16</u>	<u>(0.02)</u>	<u>0.33</u>	<u>(0.31)</u>

The notes set out on pages 10 to 28 form an integral part of these condensed consolidated interim financial information.

The independent auditors' report on review of these condensed consolidated interim financial information is set out on pages 1 and 2.

## Foodco Holding PJSC

Condensed consolidated interim statement of other comprehensive income  
for the period ended

	Three month period ended		Six month period ended		
	30 June		30 June		
	Notes	2021 AED	2020 AED	2021 AED	2020 AED
Profit / (loss) for the period		<b>19,545,159</b>	(2,080,885)	<b>38,958,925</b>	(36,874,897)
<b>Other comprehensive income / (loss)</b>					
<i>Items that will not be reclassified to profit or loss</i>					
Net changes in fair value of investments held at fair value through other comprehensive income		<b>13,402,697</b>	(12,403,583)	<b>18,759,966</b>	(36,153,405)
Other comprehensive income / (loss) for the period		<b>13,402,697</b>	(12,403,583)	<b>18,759,966</b>	(36,153,405)
Total comprehensive income / (loss) for the period		<b>32,947,856</b>	(14,484,468)	<b>57,718,891</b>	(73,028,302)
<b>Attributable to:</b>					
Owners of the Company		<b>33,023,038</b>	(14,394,703)	<b>57,880,904</b>	(72,912,805)
Non-controlling interests		<b>(75,182)</b>	(89,765)	<b>(162,013)</b>	(115,497)
		<b>32,947,856</b>	(14,484,468)	<b>57,718,891</b>	(73,028,302)

The notes set out on pages 10 to 28 form an integral part of these condensed consolidated interim financial information.

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## Foodco Holding PJSC

### Condensed consolidated interim statement of changes in equity

for the six month period ended

	Share capital AED	Legal reserve AED	Regulatory reserve AED	Fair value reserve AED	Retained earnings AED	Equity attributable to Owners of the Company AED	Non- controlling interests ("NCI") AED	Total AED
At 1 January								
2020 (Audited)	120,000,000	60,000,000	60,000,000	(130,732,117)	213,329,227	322,597,110	3,795,661	326,392,771
<b>Total comprehensive income for the period</b>								
Loss for the period	-	-	-	-	(36,766,818)	(36,766,818)	(108,079)	(36,874,897)
Other comprehensive loss	-	-	-	(36,145,987)	-	(36,145,987)	(7,418)	(36,153,405)
Total comprehensive loss for the period	-	-	-	(36,145,987)	(36,766,818)	(72,912,805)	(115,497)	(73,028,302)
<b>At 30 June 2020 (Unaudited)</b>	<b>120,000,000</b>	<b>60,000,000</b>	<b>60,000,000</b>	<b>(166,878,104)</b>	<b>176,562,409</b>	<b>249,684,305</b>	<b>3,680,164</b>	<b>253,364,469</b>
At 1 January								
2021 (Audited)	120,000,000	60,000,000	60,000,000	(114,529,085)	269,518,444	394,989,359	3,481,541	398,470,900
<b>Total comprehensive income for the period</b>								
Profit / (loss) for the period	-	-	-	-	39,127,915	39,127,915	(168,990)	38,958,925
Other comprehensive income	-	-	-	24,807,310	(6,054,321)	18,752,989	6,977	18,759,966
Total comprehensive income / (loss) for the period	-	-	-	24,807,310	33,073,594	57,880,904	(162,013)	57,718,891
<b>Changes in ownership interests</b>								
Disposal of NCI without a change in control	-	-	-	-	1,835,788	1,835,788	2,542,320	4,378,108
<b>At 30 June 2021 (Unaudited)</b>	<b>120,000,000</b>	<b>60,000,000</b>	<b>60,000,000</b>	<b>(89,721,775)</b>	<b>304,427,826</b>	<b>454,706,051</b>	<b>5,861,848</b>	<b>460,567,899</b>

The notes set out on pages 10 to 28 form an integral part of these condensed consolidated interim financial information.

## Foodco Holding PJSC

### Condensed consolidated interim statement of cash flows for the six month period ended

	<b>30 June 2021 AED (Unaudited)</b>	30 June 2020 AED (Unaudited)
<b>Cash flows from operating activities</b>		
Net profit / (loss) for the period	<b>38,958,925</b>	(36,874,897)
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	<b>2,117,325</b>	2,056,841
Depreciation on right to use assets	<b>412,969</b>	3,683,589
Amortization on intangible assets	<b>351,399</b>	310,287
Loss on disposal of investment properties under development	<b>584,000</b>	-
Finance costs	<b>6,471,831</b>	13,485,406
Provision for employees' end of service benefits	<b>317,441</b>	275,354
Net changes in fair value of investments held at FVTPL	<b>(28,552,608)</b>	26,874,651
Allowance for expected credit loss of trade receivables	<b>305,102</b>	920,536
Dividends income	<b>(13,702,117)</b>	(8,403,065)
Loss on disposal of property, plant and equipment	-	(61)
Provision for slow moving inventories	<b>150,000</b>	300,001
	<b>7,414,267</b>	2,628,642
<i>Changes in:</i>		
- Inventories	<b>7,962,883</b>	(23,204,581)
- Trade and other receivables	<b>11,668,421</b>	103,321,097
- Amounts due from related parties	<b>428,668</b>	47,855
- Trade and other payables	<b>(4,088,752)</b>	(44,841,237)
- Amounts due to related parties	<b>(1,777,678)</b>	3,321,581
	<b>21,607,809</b>	41,273,357
Employees' end of service benefits paid	<b>(359,815)</b>	(248,342)
Acquisition of investment in securities	<b>(20,979,561)</b>	(53,005,221)
Proceeds from sale of investment in securities	<b>22,705,403</b>	85,595,414
Dividends received	<b>13,702,117</b>	8,403,065
Additions to investment properties under development	-	(1,006,001)
Proceeds from disposal of investment properties under development	<b>4,934,050</b>	-
<b>Net cash generated from operating activities</b>	<b>41,610,003</b>	81,012,272

... continued

## Foodco Holding PJSC

Condensed consolidated interim statement of cash flows *(continued)*  
for the six month period ended

	<b>30 June 2021 AED (Unaudited)</b>	30 June 2020 AED (Unaudited)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	<b>(473,656)</b>	(2,045,855)
Proceeds from disposal of property, plant and equipment	-	900
<b>Net cash used in investing activities</b>	<b>(473,656)</b>	(2,044,955)
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	<b>90,348,468</b>	105,036,613
Repayment of bank borrowings	<b>(97,071,612)</b>	(112,645,877)
Payment of lease liabilities	<b>(701,949)</b>	(1,912,500)
Finance costs paid	<b>(8,195,040)</b>	(12,098,986)
<b>Net cash used in financing activities</b>	<b>(15,620,133)</b>	(21,620,750)
Net increase in cash and cash equivalents	<b>25,516,214</b>	57,346,567
Cash and cash equivalents at 1 January	<b>(195,614,198)</b>	(202,818,164)
<b>Cash and cash equivalents at 30 June (note 9)</b>	<b>(170,097,984)</b>	(145,471,597)

The notes set out on pages 10 to 28 form an integral part of these condensed consolidated interim financial information.

The independent auditors' report on review of these condensed consolidated interim financial information is set out on pages 1 and 2.

# Foodco Holding PJSC

## Notes to the condensed consolidated interim financial information

### 1 Legal status and principal activities

Foodco Holding PJSC (the "Company") is a public shareholding company incorporated in Abu Dhabi, United Arab Emirates. The Company was established in 1979. It is regulated and listed on the Abu Dhabi Securities Exchange.

The Company and its subsidiaries (*collectively referred to as the "Group"*) are primarily engaged in the import and distribution of foodstuff and household items in the United Arab Emirates, along with investing, development and management of real estate and commercial enterprises. The objectives of the Company and its subsidiaries include investment in or establishment of companies in the same line of business and investment in or establishment of factories in the processing or canning of foodstuff as well as engagement in all operations and investments in and outside the United Arab Emirates.

This condensed consolidated interim financial information include the financial position and the financial performance of the following subsidiaries:

Name of subsidiary	Country of incorporation	Percentage of ownership			Principal activities
		30 June 2021	31 December 2020	30 June 2020	
<b>Subsidiaries directly under the Company</b>					
National Oasis Foodstuff Company LLC	UAE	100%	100%	100%	Packing of foodstuff
FOODCO National Foodstuff PJSC	UAE	97.79%*	98.75%	98.75%	Catering services and restaurant business
Abu Dhabi National Catering LLC	UAE	100%	100%	100%	Catering services and wholesale of foodstuff
Dana Plaza Real-Estate LLC	UAE	100%	100%	-	Investing, development and management of real estate and commercial enterprises
<b>Subsidiary of FOODCO National Foodstuff PJSC</b>					
Abu Dhabi National Foodstuff Co LLC	UAE	100%	100%	100%	Wholesale and distribution of foodstuff
5PL Logistics LLC	UAE	100%	100%	100%	Shipment, clearance and warehousing services

# Foodco Holding PJSC

## Notes to the condensed consolidated interim financial information

### 1 Legal status and principal activities *(continued)*

\* Included in the 97.79% shareholding of the Group in FOODCO National Foodstuff PJSC, 1.25% shares which amount to 3,500,000 shares that are held under “Liquidity Provision Agreement” in reference to “ADX Liquidity Provider Regulations” by a third-party licensed Market Maker. Further, during the six months ended 30 June 2021, the Group engaged a third-party licensed Market Maker that offers liquidity providing services, to place buy and sell orders of the Group’s shares in the subsidiary with the objective of reducing bid/ask spreads as well as reducing price and volume volatility. At 30 June 2021, the Market Maker held 3,329,410 shares on behalf of the Company. At the end of the contract term with the Market Maker, the Company will have the option to either transfer the outstanding shares under its name or dispose of the shares in the market.

### 2 Statement of compliance

The condensed consolidated interim financial information has been prepared in accordance with IAS 34, “Interim Financial Reporting” and complies where appropriate, with relevant Articles of Association and the requirements of the UAE Federal Law No. 2 of 2015 (as amended). It does not include all the information required for full annual consolidated financial information and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in Group’s financial position and performance since the last financial statements.

Federal Decree-Law No. 26 of 2020 which amends certain provisions of Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2021. The Group is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

### 3 Significant accounting policies

The accounting policies applied in this condensed consolidated interim financial information are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 December 2020.

#### *Standards issued and effective*

Following amendments to standards are effective for annual periods beginning after 1 January 2021 however, as per management assessment, are not expected to have a significant impact on these Group’s condensed consolidated interim financial information.

#### *Amendments*

#### *Effective date*

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2

1 January 2021

# Foodco Holding PJSC

## Notes to the condensed consolidated interim financial information

### 3 Significant accounting policies *(continued)*

#### *Standards issued but not yet effective*

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

<i>New standard or amendments</i>	<i>Effective date</i>
Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to IAS 37 – Onerous contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to IFRS 3 - Reference to Conceptual Framework	1 January 2022
Annual Improvements to IFRS Standards 2018–2020	1 January 2022
Amendments to IAS 1 - Classification of Liabilities as Current or Non-current	1 January 2023

### 4 Use of judgements and estimates

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

In preparing these condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

#### *Impact of COVID-19*

On 11 March 2020, the World Health Organization (“WHO”) officially declared COVID-19 a global pandemic. In light of the rapid spread of COVID-19 across the globe, various economies and sectors have faced significant disruptions and uncertainty and governments and authorities have instigated a host of measures to contain the spread of the virus.

# Foodco Holding PJSC

## Notes to the condensed consolidated interim financial information

### 4 Use of judgements and estimates *(continued)*

#### *Impact of COVID-19 (continued)*

Below are the steps taken by the Group to estimate the impact of COVID-19 and the judgements applied by management in assessing the values of assets and liabilities as at 30 June 2021.

#### *- Assessment of expected credit loss*

The Group used a range of macro-economic factors in the assessment of ECL. The Group periodically reviews and updates selected economic series and applies judgement in determining what constitutes reasonable and forward-looking estimates.

For the six month period ended 30 June 2021, the Group has used the mechanism to stress the probability scenario weightages to assess additional ECL requirements due to COVID-19 as in comparison to the scenario weightages used as of 31 December 2020.

In the context of COVID-19 crisis, Loss given Default (“LGD”) and Exposure at Default (“EAD”) estimates have also been assessed. This assessment has considered several aspects including cash situation and credit rating of the counterparties.

#### *- Liquidity risk management*

In response to COVID-19 outbreak, the Group continues to monitor and respond to all liquidity requirements that are presented. The Group continues to calibrate stress testing scenarios to current market conditions in order to assess the impact on the Group in the current extreme stress. As at the reporting date, the liquidity position of the Group remains strong and is well placed to absorb and manage the impacts of this disruption.

#### *- Valuation of investment properties and unquoted investment in securities*

In response to COVID-19 outbreak, management believes that there is substantially more uncertainty than under normal market conditions for valuation of investment properties and unquoted investment in securities and have factored additional assumptions used in valuing these assets. As at the reporting date there is no material change to valuation of investment properties and unquoted investment in securities as per assessment of management.

#### *Measurement of fair values*

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has an overall responsibility for overseeing all significant fair value measurements and reports directly to the Chief Financial Officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, the valuation team assesses the evidence obtained from the third parties to support the conclusions that these valuations meet the requirements of IFRS, including the determination of the level in the fair value hierarchy in which the valuations should be classified.

# Foodco Holding PJSC

## Notes to the condensed consolidated interim financial information

### 4 Use of judgements and estimates (continued)

#### Measurement of fair values (continued)

Significant valuation issues are reported to the Group Audit Committee.

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

**Level 1:** unadjusted quoted prices in active markets for identical assets or liabilities;

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices);

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

### 5 Investment properties

	<b>30 June 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
Warehouses	<b>61,560,867</b>	61,560,867
Buildings - residential	<b>56,000,000</b>	56,000,000
Building - commercial and residential	<b>217,971,174</b>	217,971,174
Less: provision for impairment	<b>(76,817,935)</b>	(76,817,935)
	<b><u>258,714,106</u></b>	<u>258,714,106</u>



## Foodco Holding PJSC

### Notes to the condensed consolidated interim financial information

#### 5 Investment properties (continued)

The movements in the investment properties during the period / year were as follows:

	<b>30 June 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
As at 1 January	<b>258,714,106</b>	306,160,868
Transferred from investment properties under development	-	18,053,238
Transferred to property and equipment	-	(59,500,000)
Change in fair value of investment properties	-	(6,000,000)
At the end of the period / year	<b><u>258,714,106</u></b>	<u>258,714,106</u>

Fair value of investment properties has been determined based on valuations performed during January 2020 by an accredited independent valuer with a recognized and relevant professional qualification and with recent experience in the location and category of investment properties as well as an internal valuation carried out by the Group's management as at 31 December 2020.

Investment properties amounting to AED 221,600,030 (31 December 2020: AED 221,600,030) are mortgaged against loans and borrowings (note 10) obtained by the Group to finance the construction of the properties.

	<b>Level 1 AED</b>	<b>Level 2 AED</b>	<b>Level 3 AED</b>	<b>Total AED</b>
<b>30 June 2021 (Unaudited)</b>				
Investment properties	-	-	<b>258,714,106</b>	<b>258,714,106</b>
<b>31 December 2020 (Audited)</b>				
Investment properties	<u>-</u>	<u>-</u>	<u>258,714,106</u>	<u>258,714,106</u>

## Foodco Holding PJSC

### Notes to the condensed consolidated interim financial information

#### 6 Investment in securities

	<b>30 June 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
Investments held at fair value through other comprehensive income ("FVTOCI")	<b>177,106,015</b>	163,068,927
Investments held at fair value through profit and loss ("FVTPL")	<b>370,114,607</b>	334,186,853
	<b><u>547,220,622</u></b>	<u>497,255,780</u>

The investments at FVTOCI comprise:

	<b>30 June 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
Investments in quoted equity securities inside UAE	<b>166,346,949</b>	152,297,176
Investments in quoted equity securities outside UAE	<b>6,006,499</b>	5,980,224
Investments in unquoted equity securities inside UAE	<b>4,289,927</b>	4,218,038
Investments in unquoted equity securities outside UAE	<b>462,640</b>	573,489
	<b><u>177,106,015</u></b>	<u>163,068,927</u>

The investments held at FVTPL comprise:

	<b>30 June 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
Investments in quoted equity securities inside UAE	<b>360,745,904</b>	326,102,735
Investments in quoted equity securities outside UAE	<b>4,141,644</b>	5,403,845
Quoted commodities	<b>5,227,059</b>	2,680,273
	<b><u>370,114,607</u></b>	<u>334,186,853</u>

## Foodco Holding PJSC

### Notes to the condensed consolidated interim financial information

#### 6 Investment in securities (continued)

The movement in financial assets was as follows:

	<b>At fair value through profit or loss 30 June 2021 AED (Unaudited)</b>	<b>At fair value through other comprehensive income 30 June 2021 AED (Unaudited)</b>	<b>At fair value through profit or loss 31 December 2020 AED (Audited)</b>	<b>At fair value through other comprehensive income 31 December 2020 AED (Audited)</b>
At 1 January	334,186,853	163,068,927	288,307,385	145,504,463
Purchase of financial assets	15,111,492	5,868,069	85,721,977	1,356,796
Disposal of financial assets	(7,736,346)	(10,590,947)	(135,178,235)	-
Increase in fair value	28,552,608	18,759,966	95,335,726	16,207,668
At end of the period / year	<u>370,114,607</u>	<u>177,106,015</u>	<u>334,186,853</u>	<u>163,068,927</u>

\* For the purpose of statement of cashflows, amounts for the six month period ended 30 June 2020 are as follows;

	<b>At fair value through profit or loss 30 June 2020 AED (Unaudited)</b>	<b>At fair value through other comprehensive income 30 June 2020 AED (Unaudited)</b>
Purchase of financial assets	52,008,739	996,482
Disposal of financial assets	(107,223,594)	-
Decrease in fair value	(5,246,971)	(36,153,405)

## Foodco Holding PJSC

### Notes to the condensed consolidated interim financial information

#### 6 Investment in securities (continued)

Investments amounting to AED 61 million (31 December 2020: AED 65 million) are pledged with a commercial bank for securing term loans (note 10).

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
<b>30 June 2021</b>				
Investments held at FVTPL	370,114,607	-	-	370,114,607
Investments held at FVTOCI:				
Quoted shares	172,353,448	-	-	172,353,448
Unquoted shares	-	-	4,752,567	4,752,567
	172,353,448	-	4,752,567	177,106,015
<b>Total</b>	<b>542,468,055</b>	<b>-</b>	<b>4,752,567</b>	<b>547,220,622</b>
	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
<b>31 December 2020</b>				
Investments held at FVTPL	334,186,853	-	-	334,186,853
Investments held at FVTOCI:				
Quoted shares	158,277,400	-	-	158,277,400
Unquoted shares	-	-	4,791,527	4,791,527
	158,277,400	-	4,791,527	163,068,927
<b>Total</b>	<b>492,464,253</b>	<b>-</b>	<b>4,791,527</b>	<b>497,255,780</b>

## Foodco Holding PJSC

### Notes to the condensed consolidated interim financial information

#### 7 Inventories

	<b>30 June 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
Goods for resale	<b>30,356,262</b>	38,359,023
Consumables	<b>1,811,084</b>	2,151,945
	<b>32,167,346</b>	40,510,968
Less: allowance for slow moving inventories	<b>(1,094,125)</b>	(1,324,864)
	<b>31,073,221</b>	39,186,104

Movement in allowance for slow moving inventories is as follows:

	<b>30 June 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
At 1 January	<b>1,324,864</b>	754,727
Charge for the period / year	<b>150,000</b>	951,356
Written off during the period / year	<b>(380,739)</b>	(381,219)
At end of the period / year	<b>1,094,125</b>	1,324,864

\* For the purpose of statement of cashflows, amounts for the six month period ended 30 June 2020 are as follows;

	30 June 2020 AED (Unaudited)
Charge for the period	300,001
Written off during the period	(219,424)

## Foodco Holding PJSC

### Notes to the condensed consolidated interim financial information

#### 8 Trade and other receivables

	<b>30 June 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
Trade receivables	<b>38,212,722</b>	50,266,537
Less: allowance for expected credit loss	<b>(24,909,570)</b>	(24,604,468)
	<b>13,303,152</b>	25,662,069
Prepayments	<b>2,534,777</b>	1,166,567
Advances to suppliers	<b>2,081,509</b>	4,328,401
Other receivables	<b>2,795,981</b>	1,531,907
Less: allowance for expected credit loss on advances to suppliers and other receivables	<b>(3,025,307)</b>	(3,025,307)
	<b>17,690,112</b>	29,663,637

Movement in allowance for expected credit loss on trade receivables is as follows:

	<b>30 June 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
At 1 January	<b>24,604,468</b>	25,545,890
Charge for the period / year	<b>305,102</b>	3,291,458
Written off during the period / year	-	(4,232,880)
At the end of the period / year	<b>24,909,570</b>	24,604,468

\* For the purpose of statement of cashflows, amounts for the six month period ended 30 June 2020 are as follows;

	30 June 2020 AED (Unaudited)
Charge for the period	920,536
Written off during the period	(4,213,137)

## Foodco Holding PJSC

### Notes to the condensed consolidated interim financial information

#### 8 Trade and other receivables (continued)

Allowance for expected credit loss on advances to suppliers and other receivables is as follows:

	<b>30 June 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
At 1 January	3,025,307	4,517,160
Charge for the period / year	-	2,420,000
Written off during the period / year	-	(3,911,853)
At the end of the period / year	<u>3,025,307</u>	<u>3,025,307</u>

\* For the purpose of statement of cashflows, amounts for the six month period ended 30 June 2020 are as follows;

	30 June 2020 AED (Unaudited)
Charge for the period	4,660
Written off during the period	-

#### 9 Cash and cash equivalents

	<b>30 June 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
Cash and bank balances - cash and cash equivalents in the statement of financial position	15,714,742	5,293,243
Less: bank overdrafts repayable on demand and used for cash management purposes (note 10)	<u>(185,812,726)</u>	<u>(200,907,441)</u>
Cash and cash equivalents in the statement of cash flows	<u>(170,097,984)</u>	<u>(195,614,198)</u>

## Foodco Holding PJSC

### Notes to the condensed consolidated interim financial information

#### 10 Borrowings

	<b>30 June 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
Bank borrowings	<b>217,162,502</b>	210,978,217
Trust receipts	<b>6,205,698</b>	19,113,140
Bank overdrafts ( <i>note 9</i> )	<b>185,812,726</b>	200,907,441
	<b><u>409,180,926</u></b>	<u>430,998,798</u>

Bank overdrafts, trust receipts and bank borrowings are repayable as follows:

	<b>Current</b>		<b>Non-current</b>	
	<b>30 June 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)	<b>30 June 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
Bank overdrafts	<b>185,812,726</b>	200,907,441	-	-
Trust receipts	<b>6,205,698</b>	19,113,140	-	-
Bank borrowings	<b>123,767,498</b>	122,740,937	<b>93,395,004</b>	88,237,280
	<b><u>315,785,922</u></b>	<u>342,761,518</u>	<b><u>93,395,004</u></b>	<u>88,237,280</u>

The average interest rates during the period were as follows:

	<b>June 2021 and December 2020</b>
Bank overdrafts	1 month EIBOR + margin
Term loans	1 to 3 months EIBOR + margin
Trust receipts	3 months EIBOR + margin

Borrowings are secured by:

- Investment properties; and
- Investment in securities.



# Foodco Holding PJSC

## Notes to the condensed consolidated interim financial information

### 11 Trade and other payables

	<b>30 June 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
Trade payables	26,373,125	21,324,488
Accruals	17,854,878	24,318,437
Advances from customers	12,076,749	17,016,174
Retention payable	4,947,097	4,947,097
Other payables	4,198,818	1,933,223
	<u>65,450,667</u>	<u>69,539,419</u>

### 12 Income and other (expenses) / income

	<u>Three month period ended</u>		<u>Six month period ended</u>	
	<b>30 June 2021 AED</b>	2020 AED	<b>30 June 2021 AED</b>	2020 AED
Income from trading	8,619,645	15,354,720	24,412,451	37,640,638
Income from investment properties	11,296,847	8,907,135	17,545,336	17,469,175
Income / (loss) from investment in securities	22,992,503	10,862,803	42,254,725	(18,471,586)
	<u>42,908,995</u>	<u>35,124,658</u>	<u>84,212,512</u>	<u>36,638,227</u>

#### *Income from trading*

	<u>Three month period ended</u>		<u>Six month period ended</u>	
	<b>30 June 2021 AED</b>	2020 AED	<b>30 June 2021 AED</b>	2020 AED
Sale of goods	7,667,900	14,993,151	22,401,286	36,923,607
Freight forwarding and storage	951,745	361,569	2,011,165	717,031
	<u>8,619,645</u>	<u>15,354,720</u>	<u>24,412,451</u>	<u>37,640,638</u>

#### *Income from investment properties*

	<u>Three month period ended</u>		<u>Six month period ended</u>	
	<b>30 June 2021 AED</b>	2020 AED	<b>30 June 2021 AED</b>	2020 AED
Rental income	11,296,847	8,907,135	17,545,336	17,469,175

## Foodco Holding PJSC

### Notes to the condensed consolidated interim financial information

#### 12 Income and other (expenses) / income (continued)

*Income / (loss) from investments*

	Three month period ended		Six month period ended	
	30 June		30 June	
	2021	2020	2021	2020
	AED	AED	AED	AED
Dividend income	9,806,619	1,236,565	13,702,117	8,403,065
Net change in fair value of investment held at FVTPL	13,185,884	9,626,238	28,552,608	(26,874,651)
	<u>22,992,503</u>	<u>10,862,803</u>	<u>42,254,725</u>	<u>(18,471,586)</u>

*Other income*

Other income includes AED 2,908,843 (30 June 2020: AED nil) that relates to collection of receivables written off in prior years.

#### 13 Related party transaction and balances

In the ordinary course of business, the Group enters into transactions which are carried out on commercially agreed terms, with other business enterprises or individuals that fall within the definition of a related party contained in IAS 24. The Group has a related party relationship with its executive officers and business entities over which they can exercise significant influence or which can exercise significant influence over the Group.

##### Transactions and balances with related parties

Significant transactions with related parties comprise:

	Three month period ended 30		Six month period ended 30	
	June		June	
	2021	2020	2021	2020
	AED	AED	AED	AED
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales to entities under common directorship	4,877	139,177	463,411	381,773
Purchases and other charges from entities under common directorship	40,991	192,885	270,460	195,286

## Foodco Holding PJSC

### Notes to the condensed consolidated interim financial information

#### 13 Related party transaction and balances *(continued)*

##### Amounts due from related parties

	<b>30 June 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
Board of directors	368,772	834,342
Shareholders	505,340	468,438
	<u>874,112</u>	<u>1,302,780</u>

##### Amounts due to related parties

	<b>30 June 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
Board of directors	-	1,522,157
Shareholders	671,541	927,062
	<u>671,541</u>	<u>2,449,219</u>

##### Key management personnel compensation

The remuneration of Directors and other members of key management was as follows:

	<b>Three month period ended 30 June</b>		<b>Six month period ended 30 June</b>	
	<b>2021 AED (Unaudited)</b>	2020 AED (Unaudited)	<b>2021 AED (Unaudited)</b>	2020 AED (Unaudited)
Management compensation	<u>736,725</u>	<u>4,395,488</u>	<u>1,251,450</u>	<u>4,998,621</u>

#### 14 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at the end for the year ended 31 December 2020, except as disclosed in the related notes in these condensed consolidated interim financial information.

## Foodco Holding PJSC

Notes to the condensed consolidated interim financial information

### 15 Basic and diluted earnings / (loss) per share

	Three month period ended		Six month period ended	
	30 June		30 June	
	2021 AED	2020 AED	2021 AED	2020 AED
Profit / (loss) for the period attributable to Owners of the Company (AED)	<u>19,626,034</u>	<u>(1,993,709)</u>	<u>39,127,915</u>	<u>(36,766,818)</u>
Weighted-average number of ordinary shares	<u>120,000,000</u>	<u>120,000,000</u>	<u>120,000,000</u>	<u>120,000,000</u>
Basic and diluted earnings / (loss) per share (AED)	<u>0.16</u>	<u>(0.02)</u>	<u>0.33</u>	<u>(0.31)</u>

### 16 Commitments and contingent liabilities

	30 June 2021 AED (Unaudited)	31 December 2020 AED (Audited)
Bank guarantees	<u>16,297,453</u>	<u>72,261,808</u>
Purchase of land	<u>5,434,050</u>	<u>5,434,050</u>
Construction of building	<u>2,439,077</u>	<u>2,439,077</u>

### 17 Segment information

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors in order to allocate resources to the segment and to assess its performance.

For operating purposes, the Group is organised into four major business segments:

- (i) Investing in securities (“Investment in securities”);
- (ii) Investing in properties (“Investment properties”);
- (iii) Marine, air and land shipment services along with management and operation of store and warehouses (“Freight forwarding and storage”); and
- (iv) Wholesale and distribution of food products (“Trading”).

Transactions between segments are conducted at rates determined by management taking into consideration the cost of funds.

# Foodco Holding PJSC

## Notes to the condensed consolidated interim financial information

### 17 Segment information (continued)

Information regarding these segments is presented below:

For the six month period ended 30 June 2021 (Unaudited):

	Investment in securities AED	Investment properties AED	Freight forwarding and storage AED	Trading AED	Others AED	Eliminations AED	Consolidated AED
Income – external	42,254,725	17,545,336	2,011,165	22,401,286	-	-	84,212,512
Income – internal	-	700,885	4,058,638	-	-	(4,759,523)	-
Profit / (loss) for the period	32,477,335	14,082,999	(1,449,866)	(6,263,119)	(166,567)	278,143	38,958,925

For the six month period ended 30 June 2020 (Unaudited):

	Investment in securities AED	Investment properties AED	Freight forwarding and storage AED	Trading AED	Others AED	Eliminations AED	Consolidated AED
Income – external	(18,471,586)	17,469,175	717,031	36,923,607	-	-	36,638,227
Income – internal	-	-	5,060,014	434,652	-	(5,494,666)	-
(Loss) / profit for the period	(38,296,438)	9,232,697	(1,608,630)	(4,551,490)	15,124	(1,666,160)	(36,874,897)

For the three month period ended 30 June 2021 (Unaudited):

	Investment in securities AED	Investment properties AED	Freight forwarding and storage AED	Trading AED	Others AED	Eliminations AED	Consolidated AED
Income – external	22,992,503	11,296,847	986,953	7,632,692	-	-	42,908,995
Income – internal	-	700,885	4,058,638	-	-	(4,759,523)	-
Profit / (loss) for the period	20,616,017	3,985,901	(645,788)	(4,783,016)	73,183	298,862	19,545,159

For the three month period ended 30 June 2020 (Unaudited):

	Investment in securities AED	Investment properties AED	Freight forwarding and storage AED	Trading AED	Others AED	Eliminations AED	Consolidated AED
Income – external	10,862,803	8,907,135	361,569	14,993,151	-	-	35,124,658
Income – internal	-	(744,438)	3,273,646	200,742	-	(2,729,950)	-
(Loss) / profit for the period	(1,317,612)	3,784,628	(556,748)	(2,544,803)	-	(1,446,350)	(2,080,885)

## Foodco Holding PJSC

### Notes to the condensed consolidated interim financial information

#### 17 Segment information (continued)

The segment assets and liabilities are as follows:

As at 30 June 2021 (Unaudited):

	Investment in securities AED	Investment properties AED	Freight forwarding and storage AED	Trading AED	Others AED	Eliminations AED	Consolidated AED
Assets	547,220,622	258,714,106	60,227,524	233,722,057	2,735,386	(153,835,164)	948,784,531
Liabilities	431,468,914	44,233,918	74,753,538	31,789,637	(15,100)	(94,014,275)	488,216,632

As at 31 December 2020 (Audited):

	Investment in securities AED	Investment properties AED	Freight forwarding and storage AED	Trading AED	Others AED	Eliminations AED	Consolidated AED
Assets	497,255,780	264,232,156	54,928,209	242,352,136	2,818,443	(140,814,638)	920,772,086
Liabilities	460,061,247	51,017,740	11,025,851	14,416,396	45,094	(14,265,142)	522,301,186

#### 18 Cyclicity of the operations

The Group's dividend income is subject to fluctuations as dividend income for majority of the investees are announced annually in the first quarter. As a result, dividend income is lower for the remaining quarters of the year.



فودكو القابضة ش.م.ع.  
Foodco Holding P.J.S.C.

## Foodco Holding PJSC

### REPORT OF THE BOARD OF DIRECTORS

30 JUNE 2021

The Directors have pleasure in submitting their report and the condensed consolidated interim financial statements for the period ended 30 June 2021.

#### Principal activities

The principal activity of the Company and its subsidiaries (together, the "Group") is primarily in the import and distribution of foodstuff and household items in the United Arab Emirates, along with investing, development and management of real estate and commercial enterprises. The objectives of the Group include investment in or establishment of companies in the same line of business and investment in or establishment of factories in the processing or canning of foodstuff as well as engagement in all operations and investments in and outside the United Arab Emirates.

#### Results for the period

Revenue for the period ended 30 June 2021 amounted to AED 84,212,512 (June 2020: AED 36,638,227) and profit for the period amounted to AED 38,958,925 (June 2020: loss for the period of AED 36,874,897).

Signed on behalf of the Directors

Chairman of the Board

Abu Dhabi