

# **Foodco Holding PJSC**

Condensed consolidated interim financial information

**31 March 2021**

**Principal business address:**

P.O. Box 2378

Abu Dhabi

United Arab Emirates

# **Foodco Holding PJSC**

## Condensed consolidated interim financial information

<i>Contents</i>	<i>Page</i>
Independent auditors' report on review of condensed consolidated interim financial information	1 - 2
Condensed consolidated interim statement of financial position	3 - 4
Condensed consolidated interim statement of profit or loss	5
Condensed consolidated interim statement of other comprehensive income	6
Condensed consolidated interim statement of changes in equity	7
Condensed consolidated interim statement of cash flows	8 - 9
Notes to the condensed consolidated interim financial information	10 - 27
Board of Directors' report	



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

To the Shareholders of Foodco Holding PJSC

### *Introduction*

We have reviewed the accompanying 31 March 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 31 March 2021;
- the condensed consolidated interim statement of profit or loss for the three month period ended 31 March 2021;
- the condensed consolidated interim statement of other comprehensive income for the three month period ended 31 March 2021;
- the condensed consolidated interim statement of changes in equity for the three month period ended 31 March 2021;
- the condensed consolidated interim statement of cash flows for the three month period ended 31 March 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 31 March 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 three month period ended 31 March 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.

KPMG Lower Gulf Limited



Saif Fayeze Shawer  
Registration No.: 1131  
Abu Dhabi, United Arab Emirates  
Date: 15 May 2021

# Foodco Holding PJSC

## Condensed consolidated interim statement of financial position

As at

	<i>Notes</i>	<b>31 March 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		62,904,262	63,611,726
Intangible assets		1,294,241	1,496,977
Right-of-use assets		8,641,253	12,780,173
Investment properties under development		5,518,050	5,518,050
Investment properties	5	258,714,106	258,714,106
Investments held at fair value through other comprehensive income ("FVTOCI")	6	169,436,853	163,068,927
Other assets		5,949,510	5,949,510
<b>Total non-current assets</b>		<b>512,458,275</b>	<b>511,139,469</b>
<b>Current assets</b>			
Inventories	7	33,487,959	39,186,104
Investments held at fair value through profit or loss ("FVTPL")	6	349,460,528	334,186,853
Trade and other receivables	8	24,010,028	29,663,637
Amounts due from related parties	13	1,302,147	1,302,780
Cash and cash equivalents	9	10,493,012	5,293,243
<b>Total current assets</b>		<b>418,753,674</b>	<b>409,632,617</b>
<b>Total assets</b>		<b>931,211,949</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		(109,173,100)	(114,529,085)
Retained earnings		286,428,325	269,518,444
<b>Equity attributable to Owners of the Company</b>		<b>417,255,225</b>	<b>394,989,359</b>
<b>Non-controlling interests</b>		<b>5,986,710</b>	<b>3,481,541</b>
<b>Total equity</b>		<b>423,241,935</b>	<b>398,470,900</b>

... continued

# Foodco Holding PJSC

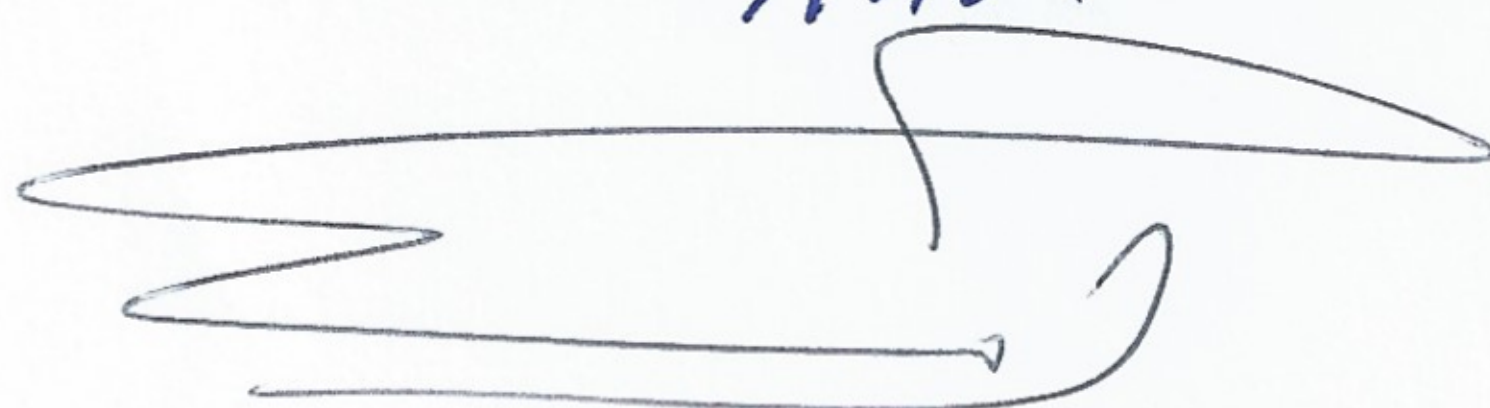
## Condensed consolidated interim statement of financial position *(continued)*

As at

	<i>Notes</i>	<b>31 March 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provision for employees' end of service benefits		4,051,440	3,995,667
Lease liabilities		7,624,680	6,480,312
Borrowings	10	89,807,819	88,237,280
<b>Total non-current liabilities</b>		<b>101,483,939</b>	<b>98,713,259</b>
<b>Current liabilities</b>			
Lease liabilities		1,545,150	8,837,771
Borrowings	10	326,507,586	342,761,518
Amounts due to related parties		1,469,344	2,449,219
Trade and other payables	11	76,963,995	69,539,419
<b>Total current liabilities</b>		<b>406,486,075</b>	<b>423,587,927</b>
<b>Total liabilities</b>		<b>507,970,014</b>	<b>522,301,186</b>
<b>Total equity and liabilities</b>		<b>931,211,949</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 13/5/2021, and was signed on their behalf by:



Ahmed Ali Khalfan Al Dhaheri  
Chairman



Mohammed Hafez  
Chief Financial Officer

The notes set out on pages 10 to 27 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 three month period ended

		<b>31 March 2021 (Unaudited)</b>	31 March 2020 (Unaudited)
	<i>Note</i>		
Income comprises:			
- Income from trading	12	<b>15,792,806</b>	22,285,918
- Income from investment properties	12	<b>6,248,489</b>	8,562,040
- Income / (loss) from investment in securities	12	<b>19,262,222</b>	(29,334,389)
		<u>41,303,517</u>	<u>1,513,569</u>
Cost of sales		<b>(14,366,603)</b>	(22,690,169)
<b>Gross profit / (loss)</b>		<b>26,936,914</b>	(21,176,600)
General and administration expenses		<b>(4,117,809)</b>	(4,816,793)
Selling and distribution		<b>(2,139,399)</b>	(2,305,209)
Impairment loss on trade and other receivables		<b>(198,071)</b>	-
Other income	12	<b>3,360,761</b>	136,439
<b>Operating profit / (loss)</b>		<b>23,842,396</b>	(28,162,163)
Finance costs		<b>(4,428,630)</b>	(6,631,849)
<b>Profit / (loss) for the period</b>		<b>19,413,766</b>	(34,794,012)
<b>Attributable to:</b>			
Owners of the Company		<b>19,501,881</b>	(34,773,109)
Non-controlling interests		<b>(88,115)</b>	(20,903)
		<u>19,413,766</u>	<u>(34,794,012)</u>
Basic and diluted earnings / (loss) per share	15	<b>0.16</b>	(0.29)

The notes set out on pages 10 to 27 form an integral part of these condensed consolidated interim financial information.

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## Foodco Holding PJSC

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

	<b>31 March 2021 (Unaudited)</b>	31 March 2020 (Unaudited)
<b>Profit / (loss) for the period</b>	<b>19,413,766</b>	(34,794,012)
<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 (FVTOCI)	<b>5,357,269</b>	(23,749,822)
Other comprehensive income / (loss) for the period	<b>5,357,269</b>	(23,749,822)
<b>Total comprehensive income / (loss) for the period</b>	<b>24,771,035</b>	(58,543,834)
<b>Attributable to:</b>		
Owners of the Company	<b>24,857,866</b>	(58,518,102)
Non-controlling interests	<b>(86,831)</b>	(25,732)
	<b>24,771,035</b>	(58,543,834)

The notes set out on pages 10 to 27 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 three 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	-	-	-	-	(34,773,109)	(34,773,109)	(20,903)	(34,794,012)
Other comprehensive loss	-	-	-	(23,744,993)	-	(23,744,993)	(4,829)	(23,749,822)
Total comprehensive loss for the period	-	-	-	(23,744,993)	(34,773,109)	(58,518,102)	(25,732)	(58,543,834)
<b>At 31 March 2020 (Unaudited)</b>	<b>120,000,000</b>	<b>60,000,000</b>	<b>60,000,000</b>	<b>(154,477,110)</b>	<b>178,556,118</b>	<b>264,079,008</b>	<b>3,769,929</b>	<b>267,848,937</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	-	-	-	-	19,501,881	19,501,881	(88,115)	19,413,766
Other comprehensive income	-	-	-	5,355,985	-	5,355,985	1,284	5,357,269
Total comprehensive income / (loss) for the period	-	-	-	5,355,985	19,501,881	24,857,866	(86,831)	24,771,035
<b>Changes in ownership interests</b>								
Disposal of NCI without a change in control	-	-	-	-	(2,592,000)	(2,592,000)	2,592,000	-
<b>At 31 March 2021 (Unaudited)</b>	<b>120,000,000</b>	<b>60,000,000</b>	<b>60,000,000</b>	<b>(109,173,100)</b>	<b>286,428,325</b>	<b>417,255,225</b>	<b>5,986,710</b>	<b>423,241,935</b>

The notes set out on pages 10 to 27 form an integral part of these condensed consolidated interim financial information.

## Foodco Holding PJSC

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

	<b>31 March 2021 AED (Unaudited)</b>	31 March 2020 AED (Unaudited)
<b>Cash flows from operating activities</b>		
Profit / (loss) for the period	19,413,766	(34,794,012)
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	1,231,370	983,766
Depreciation of right-of-use assets	1,915,550	1,845,480
Amortisation of intangible assets	202,736	153,874
Finance costs	4,428,630	6,631,849
Provision for employees' end of service benefits	179,326	137,270
Net changes in fair value of investment carried at fair value through profit or loss	(15,366,724)	36,500,889
Dividend income	(3,895,498)	(7,166,500)
Impairment loss on trade and other receivables	198,071	4,660
Provision for slow moving inventories	75,000	468,274
Reversal of provision for slow moving inventories	(282,842)	-
	<u>8,099,385</u>	<u>4,765,550</u>
<i>Changes in:</i>		
- inventories	5,905,987	8,337,749
- trade and other receivables	5,455,538	115,923,120
- amounts due from related parties	633	63,867
- trade and other payables	7,424,576	(42,069,666)
- amounts due to related parties	(979,875)	(757,682)
	<u>25,906,244</u>	<u>86,262,938</u>
Employees end of service benefits paid	(123,553)	(204,246)
Acquisition of investment in securities	(10,225,380)	(33,814,247)
Proceeds from sale of investment in securities	9,307,772	34,225,513
Additions in investment properties under development	-	(766,210)
Dividends received	3,895,498	967,863
<b>Net cash generated from operating activities</b>	<u><u>28,760,581</u></u>	<u><u>86,671,611</u></u>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant and equipment	<u><u>(723,852)</u></u>	<u><u>(257,025)</u></u>

... continued

## Foodco Holding PJSC

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

	<b>31 March 2021 AED (Unaudited)</b>	31 March 2020 AED (Unaudited)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	<b>31,956,719</b>	19,428,462
Repayment of borrowings	<b>(31,655,507)</b>	(49,022,629)
Payment of lease liabilities	<b>(1,912,500)</b>	(1,912,500)
Finance cost paid	<b>(6,241,067)</b>	(6,450,119)
<b>Net cash used in financing activities</b>	<b><u>(7,852,355)</u></b>	<b><u>(37,956,786)</u></b>
<b>Net increase in cash and cash equivalents</b>	<b>20,184,374</b>	48,457,800
Cash and cash equivalents at 1 January	<b><u>(195,614,198)</u></b>	<b><u>(202,818,164)</u></b>
<b>Cash and cash equivalents at 31 March (note 9)</b>	<b><u>(175,429,824)</u></b>	<b><u>(154,360,364)</u></b>

The notes set out on pages 10 to 27 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
		31			
		31 March 2021	December 2020	31 March 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
5PL Logistics LLC	UAE	100%	100%	100%	Shipment, clearance and warehousing services
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

# 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 quarter ended 31 March 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 31 March 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 31 March 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 three month period ended 31 March 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>31 March 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>31 March 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>

Some of the investment properties are registered in the name of the Group's Directors beneficially on behalf of the Group in order to comply with jurisdictional regulations.

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 pledged 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>31 March 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>31 March 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
Investments held at fair value through other comprehensive income ("FVTOCI")	<b>169,436,853</b>	163,068,927
Investments held at fair value through profit and loss ("FVTPL")	<b>349,460,528</b>	334,186,853
	<b><u>518,897,381</u></b>	<b><u>497,255,780</u></b>

The investments at FVTOCI comprise:

	<b>31 March 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
Investments in quoted equity securities inside UAE	<b>158,665,102</b>	152,297,176
Investments in quoted equity securities outside UAE	<b>5,980,224</b>	5,980,224
Investments in unquoted equity securities inside UAE	<b>4,218,038</b>	4,218,038
Investments in unquoted equity securities outside UAE	<b>573,489</b>	573,489
	<b><u>169,436,853</u></b>	<b><u>163,068,927</u></b>

The investments held at FVTPL comprise:

	<b>31 March 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
Investments in quoted equity securities inside UAE	<b>342,164,384</b>	326,102,735
Investments in quoted equity securities outside UAE	<b>2,318,863</b>	5,403,845
Quoted commodities	<b>4,977,281</b>	2,680,273
	<b><u>349,460,528</u></b>	<b><u>334,186,853</u></b>

Investments in mutual funds are held by a related party beneficially on behalf of the Group.

## 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 31 March 2021 AED (Unaudited)</b>	<b>At fair value through other comprehensive income 31 March 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	5,893,723	4,331,657	85,721,977*	1,356,796*
Disposal of financial assets	(5,986,772)	(3,321,000)	(135,178,235)*	-*
Increase in fair value	15,366,724	5,357,269	95,335,726*	16,207,668*
At end of the period / year	<u>349,460,528</u>	<u>169,436,853</u>	<u>334,186,853</u>	<u>163,068,927</u>

\* For the three month period ended 31 March 2020, amounts are as follows

	<b>At fair value through profit or loss 31 March 2020 AED (Unaudited)</b>	<b>At fair value through other comprehensive income 31 March 2020 AED (Unaudited)</b>
Purchase of financial assets	32,824,636	989,611
Disposal of financial assets	(47,415,652)	-
Decrease in fair value	(36,500,889)	(23,749,822)

## 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>31 March 2021</b>				
Investments held at FVTPL	349,460,528	-	-	349,460,528
Investments held at FVTOCI:				
Quoted shares	164,645,321	-	-	164,645,321
Unquoted shares	-	-	4,791,532	4,791,532
	164,645,321	-	4,791,532	169,436,853
Total	514,105,849		4,791,532	518,897,381
	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
Total	492,464,253	-	4,791,527	497,255,780

## Foodco Holding PJSC

### Notes to the condensed consolidated interim financial information

#### 7 Inventories

	<b>31 March 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
Goods for resale	<b>32,668,812</b>	38,359,023
Consumables	<b>1,936,169</b>	2,151,945
	<b>34,604,981</b>	40,510,968
Less: allowance for slow moving inventories	<b>(1,117,022)</b>	(1,324,864)
	<b>33,487,959</b>	39,186,104

Movement in allowance for slow moving inventories is as follows:

	<b>31 March 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>75,000</b>	951,356*
Reversed during the period / year	<b>(282,842)</b>	(381,219)*
At end of the period / year	<b>1,117,022</b>	1,324,864

\* For the three month period ended 31 March 2020, amounts are as follows;

	31 March 2020 AED (Unaudited)
Charge for the period	468,274
Written off during the period	(79,764)

## Foodco Holding PJSC

### Notes to the condensed consolidated interim financial information

#### 8 Trade and other receivables

	<b>31 March 2021 (Unaudited) AED</b>	31 December 2020 (Audited) AED
Trade receivables	<b>39,483,402</b>	50,266,537
Less: allowance for impairment of doubtful trade receivables	<b>(24,802,539)</b>	(24,604,468)
	<b>14,680,863</b>	25,662,069
Advance to suppliers	<b>4,333,247</b>	4,328,401
Prepayments	<b>1,335,196</b>	1,166,567
Other receivables	<b>6,686,029</b>	1,531,907
Less: allowance for impairment of doubtful advance to suppliers and other receivables	<b>(3,025,307)</b>	(3,025,307)
	<b>24,010,028</b>	29,663,637

Movement in allowance for impairment of doubtful trade receivables is as follows:

	<b>31 March 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>198,071</b>	3,291,458*
Written off during the period / year	<b>-</b>	(4,232,880)*
At the end of the period / year	<b>24,802,539</b>	24,604,468

\* For the three month period ended 31 March 2020, amounts are as follows;

	31 March 2020 AED (Unaudited)
Charge for the period	-
Written off during the period	-

## Foodco Holding PJSC

### Notes to the condensed consolidated interim financial information

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

Movement in allowance for impairment of doubtful on advance to supplier and other receivables is as follows:

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

\* For the three month period ended 31 March 2020, amounts are as follows;

	31 March 2020 AED (Unaudited)
Charge for the period	4,660
Written off during the period / year	-

#### 9 Cash and cash equivalents

	<b>31 March 2021 AED (Unaudited)</b>	30 March 2020 AED (Audited)
Cash and bank balances - cash and cash equivalents in the statement of financial position	<b>10,493,012</b>	5,293,243
Less: bank overdrafts repayable on demand and used for cash management purposes (note 10)	<b>(185,922,836)</b>	(200,907,441)
Cash and cash equivalents in the statement of cash flows	<b><u>(175,429,824)</u></b>	<u>(195,614,198)</u>

## Foodco Holding PJSC

### Notes to the condensed consolidated interim financial information

#### 10 Borrowings

	<b>31 March 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
Bank borrowings	<b>226,104,253</b>	210,978,217
Trust receipts	<b>4,288,316</b>	19,113,140
Bank overdrafts ( <i>note 9</i> )	<b>185,922,836</b>	200,907,441
	<b><u>416,315,405</u></b>	<b><u>430,998,798</u></b>

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

	<b>Current</b>		<b>Non-current</b>	
	<b>31 March 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)	<b>31 March 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
Bank overdrafts	<b>185,922,836</b>	200,907,441	-	-
Trust receipts	<b>4,288,316</b>	19,113,140	-	-
Bank borrowings	<b>136,296,434</b>	122,740,937	<b>89,807,819</b>	88,237,280
	<b><u>326,507,586</u></b>	<b><u>342,761,518</u></b>	<b><u>89,807,819</u></b>	<b><u>88,237,280</u></b>

The average interest rates during the period were as follows:

#### March 2021 and December 2020

Bank overdrafts	1 month EIBOR + margin
Term loans	1 to 3 months EIBOR + margin
Trust receipts	3 months EIBOR + 2.5% to 3.25%

Borrowings are secured by:

- Corporate guarantee of the Company;
- Investment properties;
- Undated security cheques; and
- Investment in securities.



# Foodco Holding PJSC

## Notes to the condensed consolidated interim financial information

### 11 Trade and other payables

	<b>31 March 2021 AED (Unaudited)</b>	31 December 2020 AED (Audited)
Trade payables	33,738,143	21,324,488
Accruals	22,284,656	24,318,437
Advance from customers	13,854,011	17,016,174
Retention payable	4,947,097	4,947,097
Other payables	2,140,088	1,933,223
	<u>76,963,995</u>	<u>69,539,419</u>

### 12 Income and other income

	<b>Three month period ended</b>	
	<b>31 March 2021 AED (Unaudited)</b>	31 March 2020 AED (Unaudited)
Income from trading	15,792,806	22,285,918
Income from investment properties	6,248,489	8,562,040
Income / (loss) from investments	19,262,222	(29,334,389)
	<u>41,303,517</u>	<u>1,513,569</u>

#### *Income from trading*

	<b>Three month period ended</b>	
	<b>31 March 2021 AED (Unaudited)</b>	2020 AED (Unaudited)
Sale of goods	14,733,386	21,930,456
Freight forwarding and storage	1,059,420	355,462
	<u>15,792,806</u>	<u>22,285,918</u>

#### *Income from investment properties*

	<b>Three month period ended</b>	
	<b>31 March 2021 AED (Unaudited)</b>	31 March 2020 AED (Unaudited)
Rental income	6,248,489	8,562,040
	<u>6,248,489</u>	<u>8,562,040</u>

# Foodco Holding PJSC

## Notes to the condensed consolidated interim financial information

### 12 Income and other income (continued)

#### Income / (loss) from investments

	Three month period ended	
	31 March 2021	31 March 2020
	AED	AED
	(Unaudited)	(Unaudited)
Dividend income	3,895,498	7,166,500
Net changes in fair value of investments held at FVTPL	15,366,724	(36,500,889)
	<u>19,262,222</u>	<u>(29,334,389)</u>

#### Other income

Other income includes AED 2,908,843 (31 March 2020: AED nil) that relates to additional billings for sale of goods made in prior years and collected in current period.

### 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 International Accounting Standard 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	
	31 March 2021	31 March 2020
	AED	AED
	(Unaudited)	(Unaudited)
Sales to entities under common directorship	458,534	242,596
Purchases and other charges from entities under common directorship	229,469	2,401

#### Amounts due from related parties

	31 March	31 December
	2021	2020
	AED	AED
Board of Directors	285,078	834,342
Shareholders	1,017,069	468,438
	<u>1,302,147</u>	<u>1,302,780</u>

## Foodco Holding PJSC

### Notes to the condensed consolidated interim financial information

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

##### Amounts due to related parties

	31 March 2021 AED	31 December 2020 AED
Board of Directors	265,388	1,522,157
Shareholders	1,203,956	927,062
	<u>1,469,344</u>	<u>2,449,219</u>

##### Key management personnel compensation

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

	Three month period ended	
	31 March 2021 AED (Unaudited)	31 March 2020 AED (Unaudited)
Management compensation	<u>514,725</u>	<u>615,633</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.

#### 15 Basic and diluted earnings per share

	Three month period ended	
	31 March 2021 (Unaudited)	31 March 2020 (Unaudited)
Profit / (loss) for the period attributable to Owners of the Company (AED)	19,501,881	(34,773,109)
Weighted-average number of ordinary shares	120,000,000	120,000,000
Basic and diluted earnings / (loss) per share (AED)	<u>0.16</u>	<u>(0.29)</u>

#### 16 Commitments and contingent liabilities

	31 March 2021 AED (Unaudited)	31 December 2020 AED (Audited)
Bank guarantees	<u>15,908,758</u>	<u>15,907,758</u>
Purchase of land	<u>-</u>	<u>5,434,050</u>

# Foodco Holding PJSC

## Notes to the condensed consolidated interim financial information

### 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.

Information regarding these segments is presented below:

For the three months period ended 31 March 2021 (Unaudited):

	Investment in securities AED	Investment properties AED	Freight forwarding and storage AED	Trading AED	Others AED	Eliminations AED	Consolidated AED
Income – external	19,262,222	6,248,489	1,059,420	14,733,386	-	-	41,303,517
Income – internal	-	-	2,275,832	-	-	(2,275,832)	-
Profit / (loss) for the period	11,861,318	10,097,098	(804,078)	(1,480,103)	(239,750)	(20,719)	19,413,766

For the three month period ended 31 March 2020 (Unaudited):

	Investment in securities AED	Investment properties AED	Freight forwarding and storage AED	Trading AED	Others AED	Eliminations AED	Consolidated AED
Income – external	(29,334,389)	8,562,040	355,462	21,930,456	-	-	1,513,569
Income – internal	-	744,438	1,786,368	233,910	-	(2,764,716)	-
(Loss) / profit for the period	(36,978,826)	5,448,069	(1,051,882)	(2,006,687)	15,124	(219,810)	(34,794,012)

## 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 31 March 2021 (Unaudited):

	Investment in securities AED	Investment properties AED	Freight forwarding and storage AED	Trading AED	Others AED	Eliminations AED	Consolidated AED
Assets	704,967,903	361,420,050	57,832,655	207,023,181	3,875,125	(403,906,965)	931,211,949
Liabilities	457,323,725	46,531,499	32,100,250	71,712,886	478,055	(100,176,401)	507,970,014

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	751,113,700	355,813,847	54,928,209	242,352,136	2,818,443	(486,254,249)	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.

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## REPORT OF THE BOARD OF DIRECTORS

31 MARCH 2021

The Directors have pleasure in submitting their report and the consolidated financial statements for the period ended 31 March 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 year

Revenue for the period amounted to AED 41,303,517 (March 2020: AED 1,513,569) and profit for the period amounted to AED 19,413,766 (March 2020: loss for the year of AED 34,794,012).

Signed on behalf of the Directors

Chairman of the Board  
Ahmed Ali Khalfan Al Dhaheri