

Foodco Holding PJSC

REVIEW REPORT AND INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 SEPTEMBER 2020 (UNAUDITED)



فودكو القابضة
Foodco Holding PJSC

Board of Directors' Report For the Quarter ended September 30, 2020

The Board of Directors of Foodco Holding PJSC are pleased to report the interim condensed consolidated Financial Statements for the quarter ended September, 30 2020.

Principal activities

The Company operating in diversifying business lines, the Company and its subsidiaries (collectively referred to as the "Group") is primarily engaged in the import and distribution of foodstuff and household items in the United Arab Emirates, along with investing in securities, mutual funds and direct investments as well as development and management of real estate and logistic solutions.

The Groups' revenue for the nine months ended 30 September 2020 was AED 133.54 million (2019: AED 194.84 million) while the profit attributable to equity holders of the Company was AED 29.70 million (2019: AED (33.25) million).

Analysis of the financial results of Q3 2020 is given here below:

The Groups' revenue for the Q3 was AED 96.90 million (2019: AED 54.06 million) while the profit attributable to equity holders of the Company was AED 66.47 million (2019: AED 7.06 million).

The following are the summary of the financials

	Amount in '000					
	Quarter ended September			Nine months ended September		
	2020	2019	Increase / (Decrease)	2020	2019	Increase / (Decrease)
Profit and Loss summary						
Revenue	96,899	54,063	42,836	133,537	194,840	(61,303)
Gross Profit	87,610	24,920	62,690	82,835	27,679	55,156
Profit attributable to equity holders of the Company	66,468	7,055	59,413	29,701	(33,247)	62,948
Earning per share (AED)	0.554	0.059	0.50	0.248	(0.277)	0.525

	Sep 20	Dec 19	Increase / (Decrease)	
			Amount	%
Financial position summary				
Current assets	428,915	478,797	(49,882)	-10%
Non current assets	498,059	511,298	(13,239)	-3%
Current liabilities	463,617	521,823	(58,206)	-11%
Non current liabilities	113,505	141,880	(28,375)	-20%
Equity attributable to equity holders of the Company	346,261	322,597	23,664	7%
Book value of share (AED)	2.89	2.69	0.20	7%

We confirm our commitment to enhance the core activities of the Group to attain sustainable growth.

On behalf of the Board of Directors

Ahmed Ali Khalfan AlMutawa AL Dhaheri
Chairman

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF FOODCO HOLDING PJSC**

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Foodco Holding PJSC (the “Company”) and its subsidiaries (together “the Group”) as at 30 September 2020 and the related interim consolidated statement of profit or loss and interim consolidated statement of comprehensive income for the three-month and nine-month periods then ended and the interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the nine-month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting*. (“IAS 34”). 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 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 interim condensed consolidated financial statements of the Group are not prepared, in all material respects, in accordance with IAS 34.



Signed by:

Raed Ahmad
Partner
Ernst & Young
Registration No 811

11 November 2020
Abu Dhabi

Foodco Holding PJSC

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three and nine months ended 30 September 2020 (Unaudited)

	Note	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
		<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
Revenue from contracts with customers	3	11,273,800	42,190,500	48,914,438	229,088,465
Income from investment properties	4	8,780,882	9,509,095	26,250,057	27,485,499
Income (loss) from investments	5	76,843,927	2,363,118	58,372,341	(61,733,493)
Cost of sales		(9,288,393)	(29,142,542)	(50,701,906)	(167,161,227)
GROSS PROFIT		87,610,216	24,920,171	82,834,930	27,679,244
General and administrative expenses		(5,020,650)	(3,357,025)	(18,932,669)	(17,594,489)
Selling and distribution expenses		(8,412,422)	(6,333,796)	(12,247,681)	(14,924,238)
Finance costs		(5,790,328)	(8,244,671)	(19,275,734)	(20,331,396)
Provision for expected credit losses on trade and other receivables		(2,047,397)	139,399	(2,972,593)	(7,603,363)
Other income		33,460	4,860	91,729	17,950
PROFIT (LOSS) FOR THE PERIOD		<u>66,372,879</u>	<u>7,128,938</u>	<u>29,497,982</u>	<u>(32,756,292)</u>
Profit (loss) attributable to:					
Equity holders of the Company		66,467,975	7,054,800	29,701,157	(33,246,834)
Non-controlling interests		(95,096)	74,138	(203,175)	490,542
		<u>66,372,879</u>	<u>7,128,938</u>	<u>29,497,982</u>	<u>(32,756,292)</u>
Basic and diluted earnings (loss) per share attributable to equity holders of the Company	15	<u>0.55</u>	<u>0.06</u>	<u>0.25</u>	<u>(0.28)</u>

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Foodco Holding PJSC

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three and nine months ended 30 September 2020 (Unaudited)

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
PROFIT (LOSS) FOR THE PERIOD	66,372,879	7,128,938	29,497,982	(32,756,292)
Other comprehensive income (loss):				
<i>Items that will not be subsequently reclassified to the consolidated statement of profit or loss:</i>				
Net changes in the fair value of investments carried at fair value through other comprehensive income	<u>30,115,268</u>	<u>4,314,413</u>	<u>(6,038,137)</u>	<u>(112,171,128)</u>
Other comprehensive income (loss)	<u>30,115,268</u>	<u>4,314,413</u>	<u>(6,038,137)</u>	<u>(112,171,128)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>96,488,147</u>	<u>11,443,351</u>	<u>23,459,845</u>	<u>(144,927,420)</u>
Total comprehensive income (loss) attributable to:				
Equity holders of the company	96,576,520	11,367,126	23,663,715	(145,395,477)
Non-controlling interests	<u>(88,373)</u>	<u>76,225</u>	<u>(203,870)</u>	<u>468,057</u>
	<u>96,488,147</u>	<u>11,443,351</u>	<u>23,459,845</u>	<u>(144,927,420)</u>

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Foodco Holding PJSC

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2020 (Unaudited)

	Note	30 September 2020 AED (Unaudited)	31 December 2019 AED (Audited)
ASSETS			
Non-current assets			
Property and equipment		45,424,693	6,156,582
Intangible assets		1,475,022	1,942,157
Right-of-use assets		14,654,529	23,059,114
Investment properties under development	6	5,518,047	22,525,635
Investment properties	7	284,214,106	306,160,868
Investments carried at fair value through other comprehensive income	8	140,823,123	145,504,463
Other assets		<u>5,949,510</u>	<u>5,949,510</u>
		498,059,030	511,298,329
Current assets			
Inventories	9	46,461,010	16,429,234
Investments carried at fair value through profit or loss	8	303,143,826	288,307,385
Trade and other receivables	10	41,497,929	168,632,944
Amounts due from related parties	14	1,945,675	1,312,328
Cash and bank balances	11	<u>35,866,757</u>	<u>4,115,031</u>
		428,915,197	478,796,922
TOTAL ASSETS		<u>926,974,227</u>	<u>990,095,251</u>
EQUITY AND LIABILITIES			
Equity			
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		(136,769,559)	(130,732,117)
Retained earnings		<u>243,030,384</u>	<u>213,329,227</u>
Equity attributable to equity holders of the Company		346,260,825	322,597,110
Non-controlling interests		<u>3,591,791</u>	<u>3,795,661</u>
TOTAL EQUITY		<u>349,852,616</u>	<u>326,392,771</u>
LIABILITIES			
Non-current liabilities			
Provision for employees' end of service benefits		4,592,577	4,773,078
Lease liabilities		9,014,235	15,278,046
Retention payable	13	220,476	380,322
Loans and borrowings	12	<u>99,677,500</u>	<u>121,448,119</u>
		113,504,788	141,879,565
Current liabilities			
Loans and borrowings	12	390,641,283	415,284,874
Trade and other payables	13	60,537,834	97,253,896
Lease liabilities		8,120,256	7,990,044
Amounts due to related parties	14	<u>4,317,450</u>	<u>1,294,101</u>
		463,616,823	521,822,915
TOTAL LIABILITIES		<u>577,121,611</u>	<u>663,702,480</u>
TOTAL EQUITY AND LIABILITIES		<u>926,974,227</u>	<u>990,095,251</u>


Ahmed Ali Khalfan Al Dhaheri
Chairman


Rashed Darwaish Ahmed Saif Al Ketbi
Vice Chairman


Mohammad Hafez
Chief Financial Officer

The attached notes I to 19 form part of these interim condensed consolidated financial statements.

Foodco Holding PJSC

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2020 (Unaudited)

	<i>Attributable to the equity holders of the Company</i>							
	Share capital AED	Legal reserve AED	Regulatory reserve AED	Fair value Reserve AED	Retained earnings AED	Equity attributable to equity holders of the Company AED	Non-controlling interests AED	Total equity AED
At 1 January 2019 (audited)	120,000,000	60,000,000	60,000,000	(26,782,321)	345,709,972	558,927,651	3,464,763	562,392,414
(Loss) profit for the period	-	-	-	-	(33,246,834)	(33,246,834)	490,542	(32,756,292)
Other comprehensive loss	-	-	-	(111,018,533)	(1,130,110)	(112,148,643)	(22,485)	(112,171,128)
Total comprehensive (loss) income for the period	-	-	-	(111,018,533)	(34,376,944)	(145,395,477)	468,057	(144,927,420)
Dividends (note 18)	-	-	-	-	(12,000,000)	(12,000,000)	-	(12,000,000)
At 30 September 2019 (unaudited)	<u>120,000,000</u>	<u>60,000,000</u>	<u>60,000,000</u>	<u>(137,800,854)</u>	<u>299,333,028</u>	<u>401,532,174</u>	<u>3,932,820</u>	<u>405,464,994</u>
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
Profit (loss) for the period	-	-	-	-	29,701,157	29,701,157	(203,175)	29,497,982
Other comprehensive loss	-	-	-	(6,037,442)	-	(6,037,442)	(695)	(6,038,137)
Total comprehensive (loss) income for the period	-	-	-	(6,037,442)	29,701,157	23,663,715	(203,870)	23,459,845
At 30 September 2020 (unaudited)	<u>120,000,000</u>	<u>60,000,000</u>	<u>60,000,000</u>	<u>(136,769,559)</u>	<u>243,030,384</u>	<u>346,260,825</u>	<u>3,591,791</u>	<u>349,852,616</u>

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Foodco Holding PJSC

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September 2020

	<i>Nine months ended</i>	
	<i>30 September</i>	<i>30 September</i>
	<i>2020</i>	<i>2019</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
OPERATING ACTIVITIES		
Profit (loss) for the period	29,497,982	(32,756,292)
Adjustments for:		
Depreciation	3,081,159	2,043,361
Depreciation on right of use assets	5,397,828	6,204,109
Amortization of intangible assets	467,135	-
Dividend income	(8,403,065)	(17,503,878)
Finance costs	19,275,734	20,331,396
Provision for employees' end of service benefits	442,142	843,051
Net changes in fair value of investments carried at fair value through profit or loss	(58,092,613)	82,685,213
Allowance for expected credit loss of trade and other receivables	2,972,593	7,603,363
Loss (gain) on sale of investments carried at fair value through profit and loss	8,123,337	(3,447,842)
Gain on disposal of property and equipment	(61)	-
Provision for slow moving inventories	463,366	794,766
	3,225,537	66,797,247
Working capital changes:		
Inventories	(30,495,142)	(12,315,397)
Trade and other receivables	124,118,430	(47,726,617)
Amounts due from related parties	(633,347)	(1,144,452)
Trade and other payables	(38,031,478)	34,973,268
Amounts due to related parties	3,023,349	(3,300,313)
Cash generated from operations	61,207,349	37,283,736
Purchase of investments	(78,894,082)	(71,327,396)
Proceeds from disposal of investments	112,670,120	32,079,038
Employees' end of service benefits paid	(622,643)	(468,094)
Additions to investment properties under development	(1,045,650)	(24,981,464)
Net cash flows from (used in) operating activities	93,315,094	(27,414,180)
INVESTING ACTIVITIES		
Purchase of property and equipment	(2,350,109)	(1,223,234)
Dividends received	8,403,065	17,503,878
Proceeds from disposal of property and equipment	900	-
Net cash flows from investing activities	6,053,856	16,280,644

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Foodco Holding PJSC

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September 2020

	<i>Note</i>	<i>Nine months ended</i>	
		<i>30 September 2020 AED (Unaudited)</i>	<i>30 September 2019 AED (Unaudited)</i>
FINANCING ACTIVITIES			
Proceeds from bank borrowings		145,738,733	199,166,762
Repayment of bank borrowings		(194,992,214)	(31,317,987)
Payment of lease liabilities		(3,825,000)	(6,375,000)
Dividends paid		-	(12,000,000)
Finance costs paid		<u>(17,378,014)</u>	<u>(17,286,656)</u>
Net cash flows (used in) from financing activities		<u>(70,456,495)</u>	<u>132,187,119</u>
INCREASE IN CASH AND CASH EQUIVALENTS		28,912,455	121,053,583
Cash and cash equivalents at 1 January		<u>(202,818,164)</u>	<u>(306,466,224)</u>
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	11	<u>(173,905,709)</u>	<u>(185,412,641)</u>
Non-cash transactions			
Transfer from investment properties under development to investment properties	6	18,053,238	-
Transfer from investment properties to property and equipment	7	40,000,000	-

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Foodco Holding PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2020 (Unaudited)

1 CORPORATE INFORMATION

Foodco Holding P.J.S.C. (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 registered address of the Company is at P O Box 2378, Port Zayed, Mina, Abu Dhabi, UAE

The principal activity of the Company and its subsidiaries (collectively referred to as the “Group”) is 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 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.

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 11 November 2020.

2.1 FUNDAMENTAL ACCOUNTING CONCEPTS

The Group’s current liabilities exceeded its current assets by AED 34,701,626 for the period ended 30 September 2020. This indicates the existence of a material uncertainty that may cast a significant doubt about the Group’s ability to continue as a going concern.

Management has prepared the interim condensed consolidated financial statements under the going concern assumption on account that no material uncertainty exists and it considers the deficit to be temporary and that it will generate sufficient cash flows from its business which will allow it to meet its liabilities as they fall due.

2.2 BASIS OF PREPARATION

Accounting convention

The interim condensed consolidated financial statements have been prepared under the historical cost convention except for investments carried at fair value through profit or loss, investments carried at fair value through other comprehensive income and investment properties which have been measured at fair value.

The interim condensed consolidated financial statements have been presented in United Arab Emirates Dirhams (AED), which is the presentation currency of the Company and the functional currency of the Group.

Statement of compliance

The interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting” and also comply with the applicable requirements of laws in the UAE.

The interim condensed consolidated financial statements comprise the financial statements of the Company and those of its following subsidiaries:

<i>Name of subsidiary/ sub-subsidiary</i>	<i>Principal activity</i>	<i>Country of incorporation</i>	<i>Percentage of holding</i>	
			<i>30 September 2020</i>	<i>31 December 2019</i>
National Oasis Foodstuff	Packing of foodstuff	United Arab Emirates	100%	100%
Abu Dhabi National Catering LLC	Catering services and wholesale of foodstuff	United Arab Emirates	100%	100%
Dana Plaza Real Estate – Sole Proprietorship L.L.C	Real estate lease and management services	United Arab Emirates	100%	-
FOODCO National Foodstuff P.J.S.C	Catering services and restaurant business	United Arab Emirates	98.75%	98.75%
Abu Dhabi National Foodstuff Co – Sole Proprietorship L.L.C. *	Catering services and wholesale of foodstuff	United Arab Emirates	98.75%	98.75%
5PL Logistics Solutions LLC **	Shipment, clearance and warehousing services	United Arab Emirates	98.75%	100%

2.2 BASIS OF PREPARATION continued

Statement of compliance continued

* Abu Dhabi National Foodstuff Co – Sole Proprietorship L.L.C. is a subsidiary company of Foodco National Foodstuff P.J.S.C.

** The shareholders of the Group resolved in its Annual General Meeting held on 26 April 2020 to transfer its entire ownership in 5PL Logistics Solution LLC to its subsidiary Foodco National Foodstuff PJSC, effective from 1 January 2020.

These interim condensed consolidated financial statements include the operations of the subsidiaries over which the Group has control. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Group, using consistent accounting policies. All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full.

Non-controlling interest represent the portion of the net income or loss and net assets of the subsidiaries not held by the Group and are presented separately in the interim consolidated statement of comprehensive and within equity in the interim consolidated statement of financial position, separately shareholders' equity of the Group.

2.3 SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial statements do not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2019. In addition, results for nine-months ended 30 September 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2019, except for the adoption of the following new standards, interpretations and amendments effective as of 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New standards, interpretations and amendments adopted by the Group

The Group has applied, for the first time, several new standards and amendments in 2020, as stated below:

- Amendments to IFRS 3: *Definition of a Business*;
- Amendments to IFRS 7, IFRS 9 and IAS 39: *Interest Rate Benchmark Reform*;
- Amendments to IAS 1 and IAS 8: *Definition of Material*;
- The Conceptual Framework for Financial Reporting; and
- Amendments to IFRS 16: *Covid-19 - Related Rent Concessions*.

The adoption of these standards, interpretations and amendments have no material impact on the interim condensed consolidated financial statements of the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 September 2020 (Unaudited)

2.4 SIGNIFICANT JUDGEMENTS AND ESTIMATES

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2019 except for COVID-19 mentioned below:

COVID-19

On 11 March 2020, the World Health Organization made an assessment that the outbreak of a coronavirus (COVID 19) can be characterized as a pandemic. In addition, oil prices significantly dropped in January to March 2020 due to a number of political and economic factors. As a result, businesses have subsequently seen reduced customer traffic and, where governments mandated, temporary suspension of travel and closure of recreation and public facilities.

To alleviate the negative impact of the COVID-19 pandemic, the UAE Government, Central Bank and other independent jurisdictions and regulators have taken measures and issued directives to support businesses and the UAE economy at large, including extensions of deadlines, facilitating continued business through social-distancing and easing pressure on credit and liquidity in the UAE.

The situation, including the government and public response to the challenges, continue to progress and rapidly evolve. Therefore, the extent and duration of the impact of these conditions remain uncertain and depend on future developments that cannot be accurately predicted at this stage, and a reliable estimate of such an impact cannot be made at the date of approval of these interim condensed consolidated financial statements. Notwithstanding, these developments could impact our future financial results, cash flows and financial position.

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Sale of goods	10,818,459	42,083,889	47,742,066	219,345,856
Management fees	-	-	-	8,000,000
Freight forwarding and storage	455,341	106,611	1,172,372	1,742,609
	<u>11,273,800</u>	<u>42,190,500</u>	<u>48,914,438</u>	<u>229,088,465</u>

4 INCOME FROM INVESTMENT PROPERTIES

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Rental income	<u>8,780,882</u>	<u>9,509,095</u>	<u>26,250,057</u>	<u>27,485,499</u>

Foodco Holding PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2020 (Unaudited)

5 INCOME (LOSS) FROM INVESTMENTS

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Dividend income	-	-	8,403,065	17,503,878
Gain (loss) on sale of investments	13,504,843	582,065	(8,123,337)	3,447,842
Net changes in fair value of investments held at fair value through profit or loss	63,339,084	<u>1,781,053</u>	58,092,613	<u>(82,685,213)</u>
	76,843,927	<u>2,363,118</u>	58,372,341	<u>(61,733,493)</u>

6 INVESTMENT PROPERTIES UNDER DEVELOPMENT

	<i>30 September</i>	<i>31 December</i>
	<i>2020</i>	<i>2019</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
At 1 January	22,525,635	118,870,314
Additions during the period / year	1,045,650	27,538,257
Transferred to investment properties (note 7)	(18,053,238)	<u>(123,882,936)</u>
	5,518,047	<u>22,525,635</u>

7 INVESTMENT PROPERTIES

	<i>30 September</i>	<i>31 December</i>
	<i>2020</i>	<i>2019</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Warehouses	61,560,867	108,441,802
Buildings – residential	80,613,224	80,613,224
Building - commercial and residential	217,971,174	199,917,936
Less: provision for fair value losses on investment properties	(75,931,159)	<u>(82,812,094)</u>
	284,214,106	<u>306,160,868</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 September 2020 (Unaudited)

7 INVESTMENT PROPERTIES continued

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

	<i>30 September 2020 AED (Unaudited)</i>	<i>31 December 2019 AED (Audited)</i>
At 1 January	306,160,868	230,090,026
Transferred from investment properties under development (note 6)	18,053,238	123,882,936
Transferred to property and equipment	(40,000,000)	-
Change in fair value of investment properties	<u>-</u>	<u>(47,812,094)</u>
	<u>284,214,106</u>	<u>306,160,868</u>

The Group's management resolved to transfer property amounting to AED 40,000,000 (2019: AED nil) to property and equipment due to the evidenced change of use as it is depreciated over 25 years.

8 INVESTMENTS

	<i>30 September 2020 AED (Unaudited)</i>	<i>31 December 2019 AED (Audited)</i>
Investments carried at fair value through other comprehensive income	140,823,123	145,504,463
Investments carried at fair value through profit and loss	<u>303,143,826</u>	<u>288,307,385</u>
	<u>443,966,949</u>	<u>433,811,848</u>

Investments carried at fair value through other comprehensive income comprise:

	<i>30 September 2020 AED (Unaudited)</i>	<i>31 December 2019 AED (Audited)</i>
Quoted equity securities inside UAE	127,993,519	132,031,716
Quoted equity securities outside UAE	5,974,463	6,062,836
Unquoted equity securities inside UAE	569,303	6,513,953
Unquoted equity securities outside UAE	<u>6,285,838</u>	<u>895,958</u>
	<u>140,823,123</u>	<u>145,504,463</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2020 (Unaudited)

8 INVESTMENTS continued

Investments carried at fair value through profit and loss comprise:

	30 September 2020 AED (Unaudited)	31 December 2019 AED (Audited)
Quoted equity securities inside UAE	295,655,109	278,272,224
Quoted equity securities outside UAE	1,726,430	1,652,324
Quoted commodities outside UAE	5,762,287	-
Investments in mutual funds*	<u>-</u>	<u>8,382,837</u>
	<u>303,143,826</u>	<u>288,307,385</u>

* Investment in mutual funds was held by a related party beneficially on behalf of the Group.

The movement in investments were as follows:

	<i>At fair value through profit and loss 30 September 2020 AED (Unaudited)</i>	<i>At fair value through other comprehensive income 30 September 2020 AED (Unaudited)</i>	<i>At fair value through profit and loss 31 December 2019 AED (Audited)</i>	<i>At fair value through other comprehensive income 31 December 2019 AED (Audited)</i>
At 1 January	288,307,385	145,504,463	357,088,241	251,082,239
Purchase of investments	77,537,285	1,356,797	60,047,900	20,403,804
Disposal of investments	<u>(120,793,457)</u>	<u>-</u>	<u>(34,428,514)</u>	<u>(22,010,313)</u>
	245,051,213	146,861,260	382,707,627	249,475,730
Change in fair value	<u>58,092,613</u>	<u>(6,038,137)</u>	<u>(94,400,242)</u>	<u>(103,971,267)</u>
At end of the period / year	<u>303,143,826</u>	<u>140,823,123</u>	<u>288,307,385</u>	<u>145,504,463</u>

Fair value of financial assets and liabilities

All of the Group's investments are measured at amortised cost except for investment properties and investment in securities which are measured at fair value. All the financial liabilities are carried at amortised cost. The fair values of financial assets and liabilities carried at amortised cost approximate their carrying values as stated in the interim consolidated statement of financial position.

The Group uses the following hierarchy for determining the fair value of financial assets and liabilities by valuation technique:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

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

Level 3: inputs are unobservable for the asset or liability

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2020 (Unaudited)

8 INVESTMENTS continued

Fair value of financial assets and liabilities continued

The following table shows the fair values of investment in securities including their levels in the fair value hierarchy.

	<i>Level 1 AED</i>	<i>Level 2 AED</i>	<i>Level 3 AED</i>	<i>Total AED</i>
30 September 2020 (Unaudited)				
<i>Investments at fair value through profit and loss</i>				
Quoted shares	297,381,539	-	-	297,381,539
Quoted commodities	<u>5,762,287</u>	-	-	<u>5,762,287</u>
	<u>303,143,826</u>	-	-	<u>303,143,826</u>
<i>Investments at fair value through other comprehensive income</i>				
Quoted shares	133,967,982	-	-	133,967,982
Unquoted shares	-	-	<u>6,855,141</u>	<u>6,855,141</u>
	<u>133,967,982</u>	-	<u>6,855,141</u>	<u>140,823,123</u>
Total	<u>437,111,808</u>	<u>-</u>	<u>6,855,141</u>	<u>443,966,949</u>
31 December 2019 (Audited)				
<i>Investments carried at fair value through profit or loss</i>				
Quoted shares	279,924,548	-	-	279,924,548
Mutual funds	-	<u>8,382,837</u>	-	<u>8,382,837</u>
	<u>279,924,548</u>	<u>8,382,837</u>	-	<u>288,307,385</u>
<i>Investments carried at fair value through other comprehensive income</i>				
Quoted shares	138,094,552	-	-	138,094,552
Unquoted shares	-	-	<u>7,409,911</u>	<u>7,409,911</u>
	<u>138,094,552</u>	-	<u>7,409,911</u>	<u>145,504,463</u>
Total	<u>418,019,100</u>	<u>8,382,837</u>	<u>7,409,911</u>	<u>433,811,848</u>

There have been no transfers between levels during the period.

9 INVENTORIES

	<i>30 September 2020 AED (Unaudited)</i>	<i>31 December 2019 AED (Audited)</i>
Goods for resale	34,928,688	16,234,636
Consumables	<u>12,432,238</u>	<u>949,325</u>
	47,360,926	17,183,961
Less: allowance for slow moving inventories	<u>(899,916)</u>	<u>(754,727)</u>
	<u>46,461,010</u>	<u>16,429,234</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2020 (Unaudited)

9 INVENTORIES continued

The movement in the allowance for slow moving inventories was as follows:

	<i>30 September 2020 AED (Unaudited)</i>	<i>31 December 2019 AED (Audited)</i>
At 1 January	754,727	4,047,181
Charge for the period / year	463,366	465,000
Reversal during the period / year	-	(2,665,289)
Written off during the period / year	<u>(318,177)</u>	<u>(1,092,165)</u>
	<u>899,916</u>	<u>754,727</u>

10 TRADE AND OTHER RECEIVABLES

	<i>30 September 2020 AED (Unaudited)</i>	<i>31 December 2019 AED (Audited)</i>
Trade receivables	54,724,190	182,523,858
Less: allowance for expected credit losses on trade receivables	<u>(21,263,435)</u>	<u>(25,545,890)</u>
	33,460,755	156,977,968
Receivables against sale of investment property	5,300,000	6,300,000
Advances to suppliers	4,944,585	6,221,193
Other receivables	2,475,000	2,282,551
Prepayments	1,495,617	1,164,618
Due from brokers	812,222	203,774
Less: allowance for expected credit losses on other receivables, advance to suppliers and receivable against sale of investment property*	<u>(6,990,250)</u>	<u>(4,517,160)</u>
	<u>41,497,929</u>	<u>168,632,944</u>

The movement in the expected credit loss on the trade receivables during the period / year was as follows:

	<i>30 September 2020 AED (Unaudited)</i>	<i>31 December 2019 AED (Audited)</i>
At the beginning of the period / year	25,545,890	25,827,162
Charge for the period / year	388,848	8,178,701
Written off during the period / year	<u>(4,671,303)</u>	<u>(8,459,973)</u>
At the end of the period / year	<u>21,263,435</u>	<u>25,545,890</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2020 (Unaudited)

10 TRADE AND OTHER RECEIVABLES continued

Movement in the allowance for expected credit loss on other receivables during the period / year was as follows:

	<i>30 September 2020 AED (Unaudited)</i>	<i>31 December 2019 AED (Audited)</i>
At the beginning of the period / year	4,517,160	1,882,271
Charge for the period / year	2,583,745	2,634,889
Written off during the period / year	<u>(110,655)</u>	<u>-</u>
At the end of the period / year	<u>6,990,250</u>	<u>4,517,160</u>

* Allowance for expected credit losses on other receivables, advances to suppliers and receivable against sale of investment properties includes provision against receivables against sale of investment property amounting to AED 4,083,745 (2019: AED 1,500,000).

11 CASH AND CASH EQUIVALENTS

	<i>30 September 2020 AED (Unaudited)</i>	<i>31 December 2019 AED (Audited)</i>
Cash in hand	83,341	67,852
Cash at banks – current accounts	<u>35,783,416</u>	<u>4,047,179</u>
Cash and bank balances	35,866,757	4,115,031
Less: bank overdrafts	<u>(209,772,466)</u>	<u>(206,933,195)</u>
Cash and cash equivalents	<u>(173,905,709)</u>	<u>(202,818,164)</u>

12 LOANS AND BORROWINGS

	<i>30 September 2020 AED (Unaudited)</i>	<i>31 December 2019 AED (Audited)</i>
Bank borrowings	230,372,421	278,124,566
Trust receipts	50,173,896	51,675,232
Bank overdrafts	<u>209,772,466</u>	<u>206,933,195</u>
	<u>490,318,783</u>	<u>536,732,993</u>

The bank overdrafts are repayable on demand.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 September 2020 (Unaudited)

12 LOANS AND BORROWINGS continued

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

	30 September 2020 AED (Unaudited)	31 December 2019 AED (Audited)
Current portion	390,641,283	415,284,874
Non-current portion	<u>99,677,500</u>	<u>121,448,119</u>
	<u>490,318,783</u>	<u>536,732,993</u>

Terms and conditions of bank borrowings are as follows:

Loan	Year of maturity	Facility value AED	30 September 2020 Carrying amount AED (Unaudited)	31 December 2019 Carrying amount AED (Audited)
Term loan 1 – Secured	2019	25,000,000	-	85
Term loan 2 – Secured	2022	42,500,000	22,473,249	25,000,000
Term loan 3 – Secured	2022	50,000,000	13,750,000	21,406,250
Term loan 4 – Secured	2024	30,737,272	27,967,336	30,737,272
Term loan 5 – Secured	2023	21,000,000	15,000,000	19,500,000
Term loan 6 – Secured	2024	44,650,000	35,250,000	42,300,000
Term loan 7 - Secured	2027	27,537,000	21,622,835	23,851,280
Term loan 8 - Unsecured	2020	75,000,000	45,000,000	60,000,000
Term loan 9 - Secured	2024	10,000,000	8,500,000	10,000,000
Term loan 10 - Unsecured	2020	5,000,000	3,422,049	5,000,000
Term loan 11 - Unsecured	2020	55,019,516	33,029,659	40,329,679
Term loan 12 – Unsecured	2020	25,697,000	<u>4,357,293</u>	-
Total			<u>230,372,421</u>	<u>278,124,566</u>

Term loan 1

In 1993, the Group obtained a loan of AED 25,000 thousand from the Department of Social Services and Commercial Buildings (DSSCB). The loan is repayable in annual instalments of AED 1,573,000 each through a local bank until 2019. The loan is secured by a registered mortgage over the residential and commercial buildings. The loan has been fully paid as at 30 September 2019. The loan bore an interest rate at market interest rates plus an applicable margin.

Term loan 2

The loan was obtained in June 2017 from a local bank. The loan is repayable in annual instalments in accordance with a repayment schedule starting from 2017 until 2022. The loan is secured by a first-degree mortgage over the commercial and residential building C-169. The loan bears an interest rate at market interest rates plus an applicable margin.

12 LOANS AND BORROWINGS continued

Term loan 3

The loan was obtained in May 2016 from a local bank for AED 50,000 thousand. The loan is repayable with semi-annual rollover / instalments starting from 2018 until 2022. It is secured by a registered pledge over 50 million shares. The purpose of the loan is to support the Group's working capital requirements. The loan bears an interest rate at market interest rates plus an applicable margin.

Term loan 4

The loan was obtained in April 2017 from a local bank for AED 30,737 thousand. The loan is repayable in 20 quarterly instalments starting from 2020 until 2024. The purpose of the loan is to finance development and construction of residential cum commercial tower in Khalifa City A, Abu Dhabi. The loan is secured by a registered pledge over the land and building under construction. The loan bears an interest rate at market interest rates plus an applicable margin.

Term loan 5

The loan was obtained in February 2018 from a local bank. The loan is repayable in quarterly instalments starting from 2018 until 2022. The purpose of the loan is to support the Group's working capital requirements. It is secured by a registered pledge over shares with 200% security coverage at all time. The loan bears an interest rate at market interest rates plus an applicable margin.

Term loan 6

The loan is a revolving loan obtained in April 2019 from a local bank. The loan is repayable in quarterly instalments starting from 2018 until 2024. The purpose of the loan is to support the Group's working capital requirements. It is secured by registered mortgages against commercial and residential buildings. The loan bears an interest rate at market interest rates plus an applicable margin.

Term loan 7

The loan was obtained in December 2019 from a local bank. The loan is repayable in quarterly instalments starting from 2019 until 2027. The purpose of the loan is to support the development and construction of building C10 in Khalifa City - Abu Dhabi. It is secured by a registered pledge over land and buildings. The loan bears an interest rate at market interest rates plus an applicable margin.

Term loan 8

The loan is a revolving loan obtained in June 2014 from a local bank for AED 75,000 thousand. The purpose of the loan is to support the Group's working capital requirements. The loan bears an interest rate at market interest rates plus an applicable margin.

Term loan 9

The loan was obtained in December 2019 from a local bank. The loan is repayable in quarterly instalments starting from 2020 until 2024. The purpose of the loan is to support the Group's working capital requirements. The loan is secured by a registered pledge over shares with 200% security coverage at all time. The loan bears an interest rate at market interest rates plus an applicable margin.

Term loan 10

The loan was obtained from a local bank for AED 5,000 thousand. The purpose of the loan is to support the Group's working capital requirements. The loan bears an interest rate at market interest rates plus an applicable margin.

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12 LOANS AND BORROWINGS continued

Term loan 11

The loan is a revolving loan obtained in November 2019 from an international bank for USD 25,000 thousand with a maturity of six months. The purpose of the loan is to support the Group's working capital requirements. The loan bears an interest rate at market interest rates plus an applicable margin.

Term loan 12

The loan is a revolving loan obtained in October 2019 from an international bank for USD 7,000 thousand. The purpose of the loan is to support the Group's investment requirements. The loan bears an interest rate at market rate plus 1% margin.

13 TRADE AND OTHER PAYABLES

	<i>30 September 2020 AED (Unaudited)</i>	<i>31 December 2019 AED (Audited)</i>
Trade payables	20,050,985	63,872,549
Accruals	21,806,345	19,359,646
Advances from customers	11,726,502	6,808,464
Retention payable	4,947,097	5,107,267
Other payables	<u>2,227,381</u>	<u>2,486,292</u>
	<u>60,758,310</u>	<u>97,634,218</u>

Classified into the interim consolidated statement of financial position as follows:

	<i>30 September 2020 AED (Unaudited)</i>	<i>31 December 2019 AED (Audited)</i>
Non- current (retentions payable)	220,476	380,322
Current	<u>60,537,834</u>	<u>97,253,896</u>
	<u>60,758,310</u>	<u>97,634,218</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2020 (Unaudited)

14 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise the Shareholders directors and key management of the company and entities in which they have the ability to control and exercise significant influence in financial and operating decisions. Pricing policies and terms of these transactions are approved by the Company's management.

The related party transactions, outstanding balances and related income and expenses were as follows:

	30 September	31 December
	2020	2019
	AED	AED
	(Unaudited)	(Audited)
<i>Amounts due from related parties</i>		
Board of directors	1,512,676	70,085
Shareholders	<u>432,999</u>	<u>1,242,243</u>
	<u>1,945,675</u>	<u>1,312,328</u>
<i>Amounts due to related parties</i>		
Board of directors	3,563,230	710,435
Shareholders	<u>754,220</u>	<u>583,666</u>
	<u>4,317,450</u>	<u>1,294,101</u>

Significant transactions with related parties comprised:

	Three months ended		Nine months ended	
	30 September		30 September	
	2020	2019	2020	2019
	AED	AED	AED	AED
Sales	<u>218,147</u>	<u>136,616</u>	<u>599,920</u>	<u>805,885</u>
Purchases and other charges	<u>145,824</u>	<u>75,031</u>	<u>341,110</u>	<u>10,993,513</u>
Capital expenditure	<u>-</u>	<u>13,561,509</u>	<u>-</u>	<u>24,386,355</u>

Key management personnel compensation

The remuneration of members of key management during the period was as follows:

	Three months ended		Nine months ended	
	30 September		30 September	
	2020	2019	2020	2019
	AED	AED	AED	AED
Management compensation	350,000	663,000	5,348,621	6,961,067
Employees' end of service benefits	<u>-</u>	<u>10,128</u>	<u>20,833</u>	<u>71,111</u>
Total	<u>350,000</u>	<u>673,128</u>	<u>5,369,454</u>	<u>7,032,178</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 September 2020 (Unaudited)

15 BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

Basic and diluted earnings (loss) per share is calculated by dividing the profit (loss) for the period attributable to equity holders of the company by the weighted average number of shares outstanding during the period.

The following reflects the profit (loss) and share data used in the basic and diluted earnings (loss) per share computations:

	<i>Three months period ended</i>		<i>Nine months period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Profit (loss) for the period attributable to equity holders of the Company (AED)	<u>66,467,975</u>	<u>7,054,800</u>	<u>29,701,157</u>	<u>(33,246,834)</u>
Weighted average number of ordinary shares issued (AED)	<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>0.55</u>	<u>0.06</u>	<u>0.25</u>	<u>(0.28)</u>

16 CONTINGENCIES AND CAPITAL COMMITMENTS

Contingent liabilities

As at the reporting date, the following contingent liabilities were outstanding:

	<i>30 September</i>	<i>31 December</i>
	<i>2020</i>	<i>2019</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Bank guarantees	<u>45,174,685</u>	<u>48,082,163</u>
Letters of credit	<u>-</u>	<u>40,055</u>

Capital commitments

As at the reporting date, the capital commitments relates to the following:

	<i>30 September</i>	<i>31 December</i>
	<i>2020</i>	<i>2019</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Purchase of land	<u>5,434,050</u>	<u>5,434,050</u>
Construction of building	<u>-</u>	<u>1,031,666</u>
Others	<u>-</u>	<u>659,925</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 Chief Operating Officer 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.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 September 2020 (Unaudited)

17 SEGMENT INFORMATION continued

For the nine months period ended 30 September 2020 (unaudited):

	Investment in securities AED	Investment properties AED	Freight forwarding and storage AED	Trading AED	Others AED	Eliminations AED	Consolidated AED
Income – external	<u>58,372,341</u>	<u>26,250,057</u>	<u>1,172,372</u>	<u>47,742,066</u>	–	–	<u>133,536,836</u>
Income – internal	–	<u>1,198,545</u>	<u>8,292,167</u>	<u>434,652</u>	–	<u>(9,925,364)</u>	–
Profit / (loss) for the period	<u>34,297,774</u>	<u>12,598,016</u>	<u>(3,684,128)</u>	<u>(13,681,061)</u>	<u>15,124</u>	<u>(47,743)</u>	<u>29,497,982</u>

For the nine month period ended 30 September 2019 (unaudited):

	Investment in securities AED	Investment properties AED	Freight forwarding and storage AED	Trading AED	Others AED	Eliminations AED	Consolidated AED
Income – external	<u>(61,733,493)</u>	<u>27,485,499</u>	<u>1,742,609</u>	<u>227,345,856</u>	–	–	<u>194,840,471</u>
Income – internal	–	<u>4,553,374</u>	<u>3,145,956</u>	<u>13,848</u>	–	<u>(7,713,178)</u>	–
(Loss) / profit for the period	<u>(87,963,819)</u>	<u>19,572,834</u>	<u>(2,887,345)</u>	<u>38,823,680</u>	<u>(301,642)</u>	–	<u>(32,756,292)</u>

Foodco Holding PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 September 2020 (Unaudited)

17 SEGMENT INFORMATION continued

For the three months period ended 30 September 2020 (unaudited):

	<i>Investment in securities AED</i>	<i>Investment Properties AED</i>	<i>Freight forwarding and storage AED</i>	<i>Trading AED</i>	<i>Others AED</i>	<i>Eliminations AED</i>	<i>Consolidated AED</i>
Income – external	<u>76,843,927</u>	<u>8,780,882</u>	<u>455,341</u>	<u>10,818,459</u>	<u>-</u>	<u>-</u>	<u>96,898,609</u>
Income – internal	<u>-</u>	<u>1,198,545</u>	<u>3,232,063</u>	<u>-</u>	<u>-</u>	<u>(4,430,608)</u>	<u>-</u>
Profit / (loss) for the period	<u>72,594,212</u>	<u>3,365,319</u>	<u>(2,075,498)</u>	<u>(9,129,571)</u>	<u>-</u>	<u>1,618,417</u>	<u>66,372,879</u>

For the three months period ended 30 September 2019 (unaudited):

	<i>Investment in securities AED</i>	<i>Investment Properties AED</i>	<i>Freight forwarding and storage AED</i>	<i>Trading AED</i>	<i>Others AED</i>	<i>Eliminations AED</i>	<i>Consolidated AED</i>
Income – external	<u>2,363,118</u>	<u>9,509,095</u>	<u>106,611</u>	<u>42,083,889</u>	<u>-</u>	<u>-</u>	<u>54,062,713</u>
Income – internal	<u>-</u>	<u>1,517,791</u>	<u>1,630,888</u>	<u>13,848</u>	<u>-</u>	<u>(3,162,527)</u>	<u>-</u>
(Loss) / profit for the period	<u>(8,862,944)</u>	<u>11,375,649</u>	<u>(827,464)</u>	<u>5,737,359</u>	<u>(301,642)</u>	<u>7,980</u>	<u>7,128,938</u>

Foodco Holding PJSC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 September 2020 (Unaudited)

17 SEGMENT INFORMATION continued

The segment assets and liabilities are as follows:

As at 30 September 2020 (unaudited):

	<i>Investment in securities AED</i>	<i>Investment properties AED</i>	<i>Freight Forwarding and storage AED</i>	<i>Trading AED</i>	<i>Others AED</i>	<i>Eliminations AED</i>	<i>Consolidated AED</i>
Assets	<u>909,767,483</u>	<u>114,824,666</u>	<u>48,909,141</u>	<u>473,760,897</u>	<u>2,759,008</u>	<u>(623,046,968)</u>	<u>926,974,227</u>
Liabilities	<u>460,841,433</u>	<u>82,739,043</u>	<u>78,775,054</u>	<u>19,691,188</u>	<u>(15,100)</u>	<u>(64,910,007)</u>	<u>577,121,611</u>

As at 31 December 2019 (Audited):

	<i>Investment in securities AED</i>	<i>Investment properties AED</i>	<i>Freight forwarding and storage AED</i>	<i>Trading AED</i>	<i>Others AED</i>	<i>Eliminations AED</i>	<i>Consolidated AED</i>
Assets	<u>394,933,848</u>	<u>369,632,315</u>	<u>4,299,017</u>	<u>250,799,545</u>	<u>2,929,493</u>	<u>(32,498,967)</u>	<u>990,095,251</u>
Liabilities	<u>516,304,555</u>	<u>90,106,952</u>	<u>30,443,768</u>	<u>55,836,637</u>	<u>(15,100)</u>	<u>(28,974,332)</u>	<u>663,702,480</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 September 2020 (Unaudited)

18 DIVIDENDS

At the Annual General Meeting held on 26 April 2020, shareholders' approved cash dividends for the year ended 31 December 2019 of AED nil (2019: cash dividends of AED 12,000,000 representing 10% of the issued share capital for the year ended 31 December 2018).

19 COMPARATIVE INFORMATION

The Group has made the following reclassifications in respect of the comparatives to conform to the current period presentation:

	<i>As previously reported AED</i>	<i>As reclassified AED</i>	<i>Difference AED</i>
<i>Period ended 30 September 2019</i>			
Selling, general and administrative expenses	(40,122,090)	-	40,122,090
General and administrative expenses	-	(17,594,489)	(17,594,489)
Selling and distribution expenses	-	(14,924,238)	(14,924,238)
Provision for expected credit losses on trade and other receivables	-	(7,603,363)	(7,603,363)
<i>As at 31 December 2019</i>			
Amounts due from related parties	601,893	1,312,328	710,435
Amounts due to related parties	583,666	1,294,101	(710,435)

These reclassifications have no impact on previously reported equity or profit of the Group.