

Ghitha Holding PJSC

(formerly “Zee Store PJSC”)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS PERIOD ENDED 30 JUNE 2022

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF GHITHA HOLDING PJSC (FORMERLY “ZEE STORE PJSC”)**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Ghitha Holding PJSC (formerly “Zee Store PJSC”) (the “Company”) and its subsidiaries (together referred to as the “Group”) as at 30 June 2022, comprising of the interim consolidated statement of financial position as at 30 June 2022, and the related interim consolidated statements of profit or loss and comprehensive income for the three and six month periods then ended and the related interim consolidated statements of changes in equity and cash flows for the six months 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 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 are not prepared, in all material respects in accordance with IAS 34, “*Interim Financial Reporting*”.



Signed by:
Raed Ahmad
Partner
Ernst & Young
Registration No 811

29 July 2022
Abu Dhabi

Ghitha Holding PJSC (formerly “Zee Store PJSC”)

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the three and six month periods ended 30 June 2022

	<i>Notes</i>	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
		<i>2022 AED</i>	<i>2021 AED</i>	<i>2022 AED</i>	<i>2021 AED</i>
Revenue from contract with customers	6	576,284,125	153,725,420	882,123,075	281,166,373
Cost of sales		(450,825,160)	(131,826,427)	(715,419,018)	(242,798,950)
GROSS PROFIT		<u>125,458,965</u>	<u>21,898,993</u>	<u>166,704,057</u>	<u>38,367,423</u>
General and administrative expenses		(52,011,736)	(11,343,158)	(66,140,507)	(19,362,691)
Selling and distribution expenses		(11,203,759)	-	(21,347,233)	-
Share of gain (loss) from investment in associates and a joint venture	8	4,975,351	-	(20,157,090)	-
Gain on disposal of investment in a joint venture	8	37,379,439	-	37,379,439	-
Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal	8	(7,077,215)	-	(7,077,215)	-
Changes in fair value of investments carried at fair value through profit or loss	9	(18,595,159)	4,230,000	(21,378,155)	4,230,000
Other income (expenses)		4,414,032	(69,929)	8,230,016	606,541
Finance costs		(2,686,060)	(550,732)	(4,589,615)	(1,142,983)
PROFIT FOR THE PERIOD		<u>80,653,858</u>	<u>14,165,174</u>	<u>71,623,697</u>	<u>22,698,290</u>
Attributable to:					
Owners of the Company		72,657,770	14,006,130	61,667,445	20,947,615
Non-controlling interests		<u>7,996,088</u>	<u>159,044</u>	<u>9,956,252</u>	<u>1,750,675</u>
		<u>80,653,858</u>	<u>14,165,174</u>	<u>71,623,697</u>	<u>22,698,290</u>
<i>Basic earnings per share (AED)</i>	14	<u>0.37</u>	<u>0.14</u>	<u>0.42</u>	<u>0.21</u>

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

Ghitha Holding PJSC (formerly “Zee Store PJSC”)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the three and six month periods ended 30 June 2022

		<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
		<i>2022</i> <i>AED</i>	<i>2021</i> <i>AED</i>	<i>2022</i> <i>AED</i>	<i>2021</i> <i>AED</i>
	<i>Notes</i>				
PROFIT FOR THE PERIOD		<u>80,653,858</u>	<u>14,165,174</u>	<u>71,623,697</u>	<u>22,698,290</u>
Other comprehensive loss:					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Foreign exchange difference on translation of foreign operations		(5,453,830)	-	(37,208,370)	-
Share of other comprehensive loss of a joint venture		-	-	(7,077,215)	-
Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal		7,077,215	-	7,077,215	-
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Decrease in fair value of investments at fair value through other comprehensive income	9	(12,899,522)	-	(12,899,522)	-
Total other comprehensive loss		<u>(11,276,137)</u>	<u>-</u>	<u>(50,107,892)</u>	<u>-</u>
Total comprehensive income for the period		<u>69,377,721</u>	<u>14,165,174</u>	<u>21,515,805</u>	<u>22,698,290</u>
Attributable to:					
Owners of the Company		67,637,385	14,006,130	17,815,305	20,947,615
Non-controlling interests		<u>1,740,336</u>	<u>159,044</u>	<u>3,700,500</u>	<u>1,750,675</u>
		<u>69,377,721</u>	<u>14,165,174</u>	<u>21,515,805</u>	<u>22,698,290</u>

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

Ghitha Holding PJSC (formerly "Zee Store PJSC")

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

		<i>(Unaudited)</i> 30 June 2022 AED	<i>(Audited)</i> 31 December 2021 AED
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	7	972,453,365	490,878,121
Intangible assets and goodwill		56,502,608	42,563,178
Right-of-use assets		72,716,053	26,917,842
Investment in an associate and a joint venture	8	214,872,750	270,498,616
Biological assets		42,829,130	30,551,343
Investment in financial assets	9	<u>197,232,410</u>	<u>-</u>
		1,556,606,316	861,409,100
Current assets			
Inventories		237,774,216	80,147,957
Biological assets		12,035,058	4,974,217
Investments in financial assets	9	639,952,179	82,747,019
Trade and other receivables	10	930,629,615	153,686,553
Amounts due from related parties	15	545,631,366	131,144,869
Cash and bank balances	11	<u>268,905,194</u>	<u>174,705,329</u>
		2,634,927,628	627,405,944
TOTAL ASSETS		4,191,533,944	1,488,815,044
EQUITY AND LIABILITIES			
Equity			
Share capital	12	241,600,000	100,000,000
Contributed capital	12	12,294,193	12,294,193
Merger reserve		1,555,396,573	716,162,699
Statutory reserve	13	7,492,015	7,492,015
Cumulative changes on revaluation of investments		(6,643,770)	-
Currency translation reserve		(37,208,370)	-
Retained earnings		<u>160,907,204</u>	<u>99,239,759</u>
Equity attributable to owners of the Company		1,933,837,845	935,188,666
Non-controlling interests		<u>1,012,727,341</u>	<u>28,141,782</u>
Total equity		2,946,565,186	963,330,448
Non-current liabilities			
Employees' end of service benefits		21,590,549	10,184,753
Lease liabilities		75,488,489	26,890,723
Bank borrowings		40,553,746	40,437,243
Loans from related parties	15	45,000,000	-
Deferred tax liabilities		<u>1,577,820</u>	<u>1,887,875</u>
		184,210,604	79,400,594
Current liabilities			
Trade and other payables		476,073,541	227,000,430
Amounts due to related parties	15	320,849,435	101,622,888
Loans from related parties	15	186,745,400	80,811,111
Lease liabilities		3,123,493	1,884,122
Bank borrowings		<u>73,966,285</u>	<u>34,765,451</u>
		1,060,758,154	446,084,002
Total liabilities		1,244,968,758	525,484,596
TOTAL EQUITY AND LIABILITIES		4,191,533,944	1,488,815,044

Chief Executive Officer

Chief Financial Officer

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

Ghitha Holding PJSC (formerly “Zee Store PJSC”)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months period ended 30 June 2022

	Attributable to equity holders of the Company									
	Share capital AED	Contributed capital AED	Merger reserve AED	Statutory reserve AED	Currency translation reserve AED	Cumulative changes on revaluation of investments AED	Retained earnings AED	Total AED	Non- controlling interest AED	Total AED
Balance at 1 January 2021 (audited)	100,000,000	12,294,193	-	1,729,527	-	-	47,377,369	161,401,089	-	161,401,089
Profit for the period	-	-	-	-	-	-	20,947,615	20,947,615	1,750,675	22,698,290
Other comprehensive loss for the period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	20,947,615	20,947,615	1,750,675	22,698,290
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	22,685,600	22,685,600
Balance at 30 June 2021 (unaudited)	<u>100,000,000</u>	<u>12,294,193</u>	<u>-</u>	<u>1,729,527</u>	<u>-</u>	<u>-</u>	<u>68,324,984</u>	<u>182,348,704</u>	<u>24,436,275</u>	<u>206,784,979</u>
Balance at 1 January 2022 (audited)	100,000,000	12,294,193	716,162,699	7,492,015	-	-	99,239,759	935,188,666	28,141,782	963,330,448
Profit for the period	-	-	-	-	-	-	61,667,445	61,667,445	9,956,252	71,623,697
Other comprehensive loss for the period	-	-	-	-	(37,208,370)	(6,643,770)	-	(43,852,140)	(6,255,752)	(50,107,892)
Total comprehensive income for the period	-	-	-	-	(37,208,370)	(6,643,770)	61,667,445	17,815,305	3,700,500	21,515,805
Business combination of entities under common control (note 5)	<u>141,600,000</u>	<u>-</u>	<u>839,233,874</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>980,833,874</u>	<u>980,885,059</u>	<u>1,961,718,933</u>
Balance at 30 June 2022 (unaudited)	<u>241,600,000</u>	<u>12,294,193</u>	<u>1,555,396,573</u>	<u>7,492,015</u>	<u>(37,208,370)</u>	<u>(6,643,770)</u>	<u>160,907,204</u>	<u>1,933,837,845</u>	<u>1,012,727,341</u>	<u>2,946,565,186</u>

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

Ghitha Holding PJSC (formerly “Zee Store PJSC”)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months period ended 30 June 2022

		Six months period ended 30 June	
		2022	2021
	Notes	AED	AED
OPERATING ACTIVITIES			
Profit for the period		71,623,697	22,698,290
Adjustments for:			
Depreciation of property, plant and equipment	7	19,826,102	1,941,862
Amortisation of intangible assets		1,819,647	1,611,278
Depreciation of right-of-use assets		1,454,166	235,086
Changes in fair value of investments carried at fair value through profit or loss	9.2	21,378,155	(4,230,000)
Provision for expected credit losses on trade receivables	10	15,741,704	1,445,210
Provision for expected credit losses on amounts due from related parties	15	935,670	42,585
Gain on disposal of investment in a joint venture	8	(37,379,439)	-
Gain on disposal of property, plant and equipment		(50,086)	-
Share of loss from investment in associates and a joint venture	8	20,157,090	-
Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal	8	7,077,215	-
Provision for employees' end of service benefits		1,611,830	627,027
Finance costs		<u>4,589,615</u>	<u>1,142,983</u>
		128,785,366	25,514,321
Working capital adjustments:			
Inventories		(47,015,717)	(8,653,499)
Biological assets		(12,065,106)	-
Trade and other receivables		212,629,845	(17,381,271)
Amounts due from related parties		(95,776,194)	(54,659,991)
Trade and other payables		(129,285,133)	(16,577,939)
Amounts due to related parties		<u>(91,658,571)</u>	<u>(216,249)</u>
Net cash used in operations		(34,385,510)	(71,974,628)
Employees' end of service benefits paid		(930,452)	(5,917)
Finance costs paid		<u>(2,644,852)</u>	<u>(910,993)</u>
Net cash used in operating activities		<u>(37,960,814)</u>	<u>(72,891,538)</u>
INVESTING ACTIVITIES			
Movement in term deposits with original maturities more than three months		(22,925,755)	-
Purchase of property, plant and equipment	7	(24,006,551)	(7,917,924)
Addition to intangible assets		(269,550)	-
Cash acquired on business combination of entities under common control	5	51,615,775	-
Acquisition of a subsidiary		-	(34,456,610)
Sale proceeds from disposal of property, plant and equipment		253,179	-
Proceeds from sale of investments carried at fair value through profit or loss		16,575,085	-
Purchase of investment carried at fair value through profit or loss	9.2	<u>(21,984,617)</u>	<u>(4,250,000)</u>
Net cash used in investing activities		<u>(742,434)</u>	<u>(46,624,534)</u>

Ghitha Holding PJSC (formerly “Zee Store PJSC”)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) continued For the six months period ended 30 June 2022

	<i>Notes</i>	<i>Six months period ended 30 June</i>	
		<i>2022 AED</i>	<i>2021 AED</i>
FINANCING ACTIVITIES			
Repayment of lease liabilities		(1,763,441)	(175,000)
Net movement in loans from related parties		125,000,000	-
Net movement in bank borrowings		<u>(82,131)</u>	<u>4,586,444</u>
Net cash generated from financing activities		<u>123,154,428</u>	<u>4,411,444</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		84,451,180	(115,104,628)
Cash and cash equivalents at 1 January		172,411,360	160,878,459
Effect of foreign exchange rate changes		<u>(13,177,070)</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	11	<u>243,685,470</u>	<u>45,773,831</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

1 ACTIVITIES

Ghitha Holding PJSC (formerly “Zee Store PJSC”) (the “Company”) is a private joint stock company incorporated under the UAE Federal Law No. (2) of 2015 (as amended). The registered address of the Company is P.O. Box 53314, Abu Dhabi, United Arab Emirates.

In the annual general assembly held on 07 January 2022, the shareholders approved to change the name of the Company from “Zee Store PJSC” to “Ghitha Holding PJSC”.

These interim condensed consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries (together referred to as the “Group”). The principal activities of the Group are:

- management services and investing in diversified projects;
- trading and importing of food items, including fresh consumables, canned, preserved and frozen foods and providing re-packaging and wrapping services;
- providing food catering services, including meal preparation;
- rearing, hatching, feed processing and sale of poultry products and providing other farming and livestock related services;
- manufacturing and refining of vegetable oils, manufacturing of basic organic chemical acid, plastic bottles and similar containers and plastic closures articles;
- clinkers and hydraulic cements manufacturing, wholesale of cement products trading and industrial, commercial and agricultural enterprises investment, institution and management;
- camps and labor accommodation management; and
- facilities management services, sale and rental of tents and shades, tailoring producing tents pavilions, organizing events and providing interior design work.

IHC Food Holding LLC is the Parent and International Holding Company PJSC is the Ultimate Parent of the Company.

The interim condensed consolidated financial statements were approved by the Board of Directors and authorized for issuance on 29 July 2022.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual 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 2021. In addition, results for the six months period ended 30 June 2022 are not necessarily indicative of the results for the year ending 31 December 2022.

These interim condensed consolidated financial statements have been prepared on the historical cost basis, except for investments in financial assets and biological assets which are stated at fair value.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

2 BASIS OF PREPARATION continued

2.2 Basis for consolidation

The interim condensed consolidated financial statements of the Group comprise the financial information of the Company and its subsidiaries.

Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group’s voting rights in an investee are sufficient to give it power, including:

- the size of the Group’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the interim condensed consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Ghitha Holding PJSC (formerly “Zee Store PJSC”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Details of the Company’s subsidiaries as at 30 June 2022 and 31 December 2021 were as follows:

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2022	2021
Zee Stores International LLC	UAE	Wholesale of food and non-food items, including fresh consumables, canned, preserved and frozen foods and providing re-packaging and wrapping services.	100%	100%
Mega Logistics Park Warehouses Management - Sole Proprietorship LLC	UAE	Warehouses management and operations.	100%	100%
Tamween Group LLC	UAE	Holding Company.	100%	100%
Tamween Companies Management LLC (i)	UAE	Holding Company.	100%	-
<u>Subsidiaries of Zee Stores International LLC:</u>				
Royal Horizon Holding LLC	UAE	Holding Company.	60%	60%
<u>Subsidiaries of Royal Horizon Holding LLC:</u>				
Overseas Foodstuff Trading – Sole Proprietorship LLC	UAE	Importing and wholesale of canned and preserved foodstuff trading.	100%	100%
Royal Horizon General Trading – Sole Proprietorship LLC	UAE	General trading, retail sale of computer system and software, wholesale of canned and preserved foodstuff trading, importing and exporting, packaging and wrapping of foodstuff.	100%	100%
Royal Horizon Fazaa Stores LLC	UAE	Retail and wholesale consumer stores.	100%	100%
Al Ufuq Almalaki General Trading - Sole Proprietorship LLC	UAE	General trading, importing, exporting, retail sale of wood products.	100%	100%
<u>Subsidiaries of Tamween Group LLC:</u>				
Al Ajban Poultry LLC	UAE	Rearing, hatching, feed processing and sale of poultry products.	100%	100%
Alliance Foods Co. LLC	UAE	Trading, processing and packing of seafood products.	100%	100%
AGRINV SPV RSC	UAE	Investment Company.	100%	100%
<u>Subsidiary of AGRINV SPV RSC:</u>				
Al-Hashemiya for Land Reclamation and Cultivation S.A.E.	Egypt	Land cultivation, land-reclaimed farming, raising all kinds of livestock and sheep produced and providing other farming and livestock related services.	99.99%	99.99%
<u>Subsidiaries of Tamween Companies Management LLC:</u>				
Apex Investment PSC (formerly “Ras Al Khaimah Cement Investment Public JSC”) (i)	UAE	Holding Company	51.5%	-
Mirak Royal Nature Fruit and Vegetable LLC (i)	UAE	Trading of baby foods items, food and beverages, vegetables and fruits.	80%	-
Al Jaraf Fisheries LLC (i)	UAE	Wholesale of fresh fish and Marine animals Trading	100%	-

Ghitha Holding PJSC (formerly “Zee Store PJSC”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2022	2021
<u>Subsidiaries of Tamween Companies Management LLC:</u> (continued)				
Abu Dhabi vegetable Oil Company LLC (i)	UAE	Manufacturing and refining of vegetable oils, manufacturing of basic organic chemical acid, plastic bottles and similar containers and plastic closures articles.	75%	-
<u>Subsidiary of Abu Dhabi vegetable Oil Company LLC:</u>				
Cebag Middle East LLC	UAE	Food and beverage trading	98%	-
<u>Subsidiaries of Apex Investment PSC:</u>				
Apex Holding LLC	UAE	Investment Company.	100%	-
Ras Al Khaimah Cement Co. LLC	UAE	Clinkers and hydraulic cement manufacturers and wholesale of cement products trading.	100%	-
Apex Alwataniah Catering Service LLC	UAE	Food catering.	100%	-
The Central Tents Company – Sole Proprietorship LLC	UAE	Sale and rental of tents.	100%	-
R R Facility Management – Sole Proprietorship LLC	UAE	Facilities management services.	100%	-
Boudoir Interiors - Sole Proprietorship LLC	UAE	Interior design implementation works.	100%	-
Apex National Investment LLC	UAE	Investment, institution and management of enterprises.	100%	-
Support Services Catering Company – Sole Proprietorship LLC	UAE	Building cleaning services.	100%	-
Apex Companies Management LLC	UAE	Management services of companies and private institutions	40%	-
Apex Construction and Development – Sole Proprietorship LLC	UAE	Real estate development and construction.	100%	-
Apex Padel Sport – Sole Proprietorship LLC	UAE	Tennis club.	100%	-
Apex Alwataniah Logistics – Sole Proprietorship LLC	UAE	Land, marine, air shipment and clearance.	100%	-
Apex UL Investment LLC	UAE	Commercial enterprises investment.	51%	-
Riva Marine General Marine Services – Sole Proprietorship LLC	UAE	Marine machine and equipment repair and maintenance.	100%	-
Sky Go Transport of Goods LLC	UAE	Air transportation for goods using unmanned aerial vehicles (drones)	50%	-
<u>Subsidiaries of Al Jaraf Fisheries LLC:</u>				
Pristine Cavier – Sole Proprietorship LLC	UAE	Wholesale of fresh fish and Marine animals Trading	100%	-
Pristine Fish Farm – Sole Proprietorship LLC	UAE	Land-based Acquaculture	100%	-
Pristine Seafood Production LLC	UAE	Fish and seafood processing and preserving	100%	-
Emirates Fish Farm - Sole Proprietorship LLC	UAE	Wholesale of fresh fish and Marine animals Trading	100%	-

(i) Subsidiary acquired during the period (note 5).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied by the Group in the preparation of the consolidated financial statements as at and for the year ended 31 December 2021, except for the adoption of the following new standards, interpretations and amendments effective as of 1 January 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities
- IAS 41 Agriculture – Taxation in fair value measurements
- Amendments to IAS 37 - Onerous Contracts – Costs of Fulfilling a Contract
- Amendments to IFRS 3 - Reference to the Conceptual Framework
- Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use

These amendments had no significant impact on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards requires management to make judgment, estimates and assumptions that affect the application of accounting policies and reported amounts of financial assets and liabilities and the disclosure of contingent liabilities. These judgments, estimates and assumptions also affect the revenue, expenses and provisions as well as fair value changes. Actual results may differ from these estimates.

These judgments, estimates and assumptions may affect the reported amounts in subsequent financial years. Estimates and judgments are currently evaluated and are based on historical experience and other factors.

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 financial statements as at and for the year ended 31 December 2021.

5 BUSINESS COMBINATIONS

5.1 Business combination under common control

During the period, the Group acquired the following entities under common control. The acquisition is excluded from the scope of International Financial Reporting Standard 3 (IFRS 3) "Business Combinations" as it is business combination of entities under common control, given that the Group and the acquired entities are ultimately controlled by the same party before and after the acquisition. The acquisition has been accounted for in the interim condensed consolidated financial statements using the pooling of interest method, which reflects the economic substance of the transaction. The Group has elected to consolidate the income, expenses, assets and liabilities of acquired entities from the date of acquisition.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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5 BUSINESS COMBINATIONS continued

5.1 Business combination under common control continued

Tamween Companies Management LLC (“Tamween”)

Effective 30 April 2022, the Company acquired 100% interest in Tamween Companies Management LLC and its subsidiaries ("Tamween") by issuing 141,600,000 new shares at a par value of AED 1 per share. Tamween is a limited liability company, registered and incorporated in the Emirate Abu Dhabi and is engaged in the business of management services and investing in diversified projects. The subsidiaries of Tamween and the ownership interests are as follows:

<i>Name of entities</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Ownership interest</i>
Apex Investment PSC (formerly “Ras Al Khaimah Cement Investment Public J.S.C”) and its subsidiaries	United Arab Emirates	Clinkers and hydraulic cements manufacturing, wholesale of cement products trading and industrial, commercial and agricultural enterprises investment, institution and management, providing food catering, ready-made food catering contracts (meal preparation), camps and labor accommodation management, facilities management services, onshore and offshore oil and gas fields and facilities services, sale and rental of tents and shades, tailoring producing tents pavilions, organizing parties and events and providing interior design work.	51.5%
Mirak Royal Nature Fruit and vegetable LLC	United Arab Emirates	Trading of baby foods items, food and beverages, vegetables and fruits.	80%
Al Jaraf Fisheries LLC and its subsidiaries	United Arab Emirates	Retail sale of fresh fish and marine animals.	100%
Abu Dhabi Vegetable Oil Company LLC and its subsidiary	United Arab Emirates	Manufacturing and refining of vegetable oils, manufacturing of basic organic chemical acid, plastic bottles and similar containers and plastic closures articles.	75%

From the date of acquisition, Tamween contributed revenue and profit to the Group amounting to AED 286,410 thousand and AED 14,527 thousand respectively. If the acquisition had taken place at the beginning of the year, Tamween Companies Management LLC would have contributed revenue and profit to the Group amounting to AED 946,354 thousand and AED 214,916 thousand respectively.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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5 BUSINESS COMBINATIONS continued

5.1 Business combination under common control continued

Tamween Companies Management LLC (“Tamween”) continued

Assets acquired and liabilities assumed

The carrying values of the identifiable assets acquired and liabilities assumed of Tamween and its subsidiaries as at the date of acquisition were as follows:

	<i>(Unaudited)</i> AED
Assets	
Property, plant and equipment	501,939,243
Intangible assets and goodwill	15,489,527
Right-of-use assets	21,300,141
Investment in an associate	35,229,000
Investment in financial assets	783,305,715
Biological assets	7,273,522
Inventories	110,610,542
Amounts due from related parties	218,645,973
Trade and other receivables	1,005,314,611
Cash and bank balances	<u>51,615,775</u>
Total assets	<u>2,750,724,049</u>
Liabilities	
Employees' end of service benefit	10,724,418
Bank borrowings	39,399,468
Lease liabilities	24,637,868
Loan from a related party	25,000,000
Amounts due to related parties	310,885,118
Trade and other payables	<u>378,358,244</u>
Total liabilities	<u>789,005,116</u>
Net assets	1,961,718,933
Less: Non-controlling interests	<u>(980,885,059)</u>
Proportionate share of identifiable net assets acquired	980,833,874
Share capital issued as purchase consideration (note 12)	<u>(141,600,000)</u>
Merger reserve	<u>839,233,874</u>

Ghitha Holding PJSC (formerly “Zee Store PJSC”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

6 REVENUE FROM CONTRACT WITH CUSTOMERS

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2022 AED</i>	<i>2021 AED</i>	<i>2022 AED</i>	<i>2021 AED</i>
<i>Types of goods or services</i>				
Sale of goods	373,269,797	153,725,420	679,108,747	281,166,373
Catering services	77,733,449	-	77,733,449	-
Sale of tents	79,161,932	-	79,161,932	-
Facility management services	26,849,746	-	26,849,746	-
Sale of cement	11,058,637	-	11,058,637	-
Contracting services	<u>8,210,564</u>	<u>-</u>	<u>8,210,564</u>	<u>-</u>
	<u>576,284,125</u>	<u>153,725,420</u>	<u>882,123,075</u>	<u>281,166,373</u>
<i>Geographical concentration of revenue</i>				
Within UAE	546,007,172	153,725,420	827,955,093	281,166,373
Outside UAE	<u>30,276,953</u>	<u>-</u>	<u>54,167,982</u>	<u>-</u>
	<u>576,284,125</u>	<u>153,725,420</u>	<u>882,123,075</u>	<u>281,166,373</u>
<i>Timing of revenue recognition</i>				
Goods and services transferred at a point in time	545,184,514	153,725,420	851,023,464	281,166,373
Goods and services transferred over time	<u>31,099,611</u>	<u>-</u>	<u>31,099,611</u>	<u>-</u>
	<u>576,284,125</u>	<u>153,725,420</u>	<u>882,123,075</u>	<u>281,166,373</u>

7 PROPERTY, PLANT AND EQUIPMENT

During the period, additions to property, plant and equipment amounted to AED 24,006,551 (six months period ended 30 June 2021: AED 7,917,924), excluding property, plant and equipment acquired through business combination, and depreciation for the six months period ended 30 June 2022 amounted to AED 19,826,102 (six months period ended 30 June 2021: AED 1,941,862). During the period, assets with a net book value of AED 203,093 were written off, (six months period ended 30 June 2021: AED Nil). Property, plant and equipment acquired through business combination amounted to AED 501,939,243 (note 5) (six months period ended 30 June 2021: AED 12,121,218).

8 INVESTMENT IN ASSOCIATES AND A JOINT VENTURE

Details of the Group's associates and joint venture are as follows:

<i>Name of entity</i>	<i>Principal activities</i>	<i>Place of incorporation and operation</i>	<i>Ownership interest</i>	
			<i>2022</i>	<i>2021</i>
<i>Associate:</i>				
NRTC Food Holding LLC	Commercial enterprises investment, institution and management.	UAE	41%	41%
Reem Ready Mix LLC (i)	Manufacturing and sale of concrete ready mix and providing concrete pumping services	UAE	20%	-
<i>Joint venture:</i>				
Agriculture Investment Holding Company (Ethmar) Ltd. (ii)	General trading, importing, exporting, storing in public store houses, commercial brokers and storekeepers and warehouses management and operations. Wholesale of fodder trading canned and preserved foodstuff trading, frozen foodstuff trading and agriculture foodstuff trading.	UAE	-	50%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

8 INVESTMENT IN ASSOCIATES AND A JOINT VENTURE continued

i) Reem Ready Mix LLC (“Reem”)

During the period, Reem Ready Mix LLC became associate of the Group as a result of the acquisition of Apex Investment PSC, an entity acquired under common control (note 5).

ii) Agriculture Investment Holding Company (“Ethmar”) Ltd.

On 1 April 2022, the Group disposed-off its investment in Agriculture Investment Holding Company (“Ethmar”) Ltd to a related party for a consideration of AED 101,000,000.

Gain on disposal of investment in a joint venture is calculated as follows:

	<i>(Unaudited)</i> AED
Carrying value of the investment at the beginning of the period	101,013,776
Share of loss for the period	(30,316,000)
Share of other comprehensive loss for the period	<u>(7,077,215)</u>
Carrying value at the date of disposal	63,620,561
Less: sale consideration	<u>(101,000,000)</u>
Gain on disposal	<u>(37,379,439)</u>

Movement in investment in associates and a joint venture is as follows:

	<i>(Unaudited)</i> 30 June 2022 AED	<i>(Audited)</i> 31 December 2021 AED
At the beginning of the period / year	270,498,616	-
Acquired in business combination (note 5)	35,229,000	270,498,616
Disposal during the period/year	(63,620,561)	-
Share of other comprehensive loss for the period / year	(7,077,215)	-
Share of loss for the period / year	<u>(20,157,090)</u>	<u>-</u>
At the end of the period / year	<u>214,872,750</u>	<u>270,498,616</u>

9 INVESTMENT IN FINANCIAL ASSETS

		<i>(Unaudited)</i> 30 June 2022 AED	<i>(Audited)</i> 31 December 2021 AED
	<i>Notes</i>		
Investments carried at fair value through other comprehensive income	9.1	197,232,410	-
Investments carried at fair value through profit or loss	9.2	<u>639,952,179</u>	<u>82,747,019</u>
		<u>837,184,589</u>	<u>82,747,019</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

9 INVESTMENT IN FINANCIAL ASSETS continued

Disclosed in the interim consolidated statement of financial position as follows:

	<i>(Unaudited)</i> 30 June 2022 AED	<i>(Audited)</i> 31 December 2021 AED
Current	639,952,179	82,747,019
Non-current	<u>197,232,410</u>	<u>-</u>
	<u>837,184,589</u>	<u>82,747,019</u>

9.1 Investments carried at fair value through other comprehensive income

	<i>(Unaudited)</i> 30 June 2022 AED	<i>(Audited)</i> 31 December 2021 AED
Quoted equity investments and inside the UAE	192,164,043	-
Unquoted equity investments and inside the UAE	<u>5,068,367</u>	<u>-</u>
	<u>197,232,410</u>	<u>-</u>

These investments in equity instruments are not held for trading. Instead, they are held for long-term strategic purposes. Accordingly, management of the Group has elected to designate these investments in financial instruments as FVTOCI as they believe that recognising short-term fluctuations in these investments’ fair value in profit or loss would not be consistent with the Group’s strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The investments are recorded at fair value using the valuation techniques as disclosed in note 17. Movement in investment in financial assets carried at fair value through other comprehensive income is as follows:

	<i>(Unaudited)</i> 30 June 2022 AED	<i>(Audited)</i> 31 December 2021 AED
At the beginning of the period / year	-	-
Acquired in business combination	210,131,932	-
Changes in fair value	<u>(12,899,522)</u>	<u>-</u>
At the end of the period / year	<u>197,232,410</u>	<u>-</u>

Ghitha Holding PJSC (formerly “Zee Store PJSC”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

9 INVESTMENT IN FINANCIAL ASSETS continued

9.2 Investments carried at fair value through profit or loss

	<i>(Unaudited)</i> 30 June 2022 AED	<i>(Audited)</i> 31 December 2021 AED
Quoted equity investments and inside the UAE	<u>639,952,179</u>	<u>82,747,019</u>

These investments in equity instruments are held for trading with an intention of recognising short-term fluctuations in these investments.

The investments are recorded at fair value using the valuation techniques as disclosed in note 17. Movement in investments in financial assets carried at fair value through profit or loss is as follows:

	<i>(Unaudited)</i> 30 June 2022 AED	<i>(Audited)</i> 31 December 2021 AED
At the beginning of the period / year	82,747,019	-
Acquired in business combination	573,173,783	-
Additions during the period / year	21,984,617	50,822,243
Disposal during the period / year	(16,575,085)	-
Changes in fair value during the period / year	<u>(21,378,155)</u>	<u>31,924,776</u>
At the end of the period / year	<u>639,952,179</u>	<u>82,747,019</u>

10 TRADE AND OTHER RECEIVABLES

	<i>(Unaudited)</i> 30 June 2022 AED	<i>(Audited)</i> 31 December 2021 AED
Trade receivables	893,335,394	144,105,266
Less: provision for expected credit losses	<u>(61,850,903)</u>	<u>(14,768,581)</u>
	831,484,491	129,336,685
Advances to suppliers	30,906,951	5,244,355
Deposits and other receivables, net	45,841,879	13,904,737
Prepayments	<u>22,396,294</u>	<u>5,200,776</u>
	<u>930,629,615</u>	<u>153,686,553</u>

Ghitha Holding PJSC (formerly “Zee Store PJSC”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

10 TRADE AND OTHER RECEIVABLES continued

Movement in the provision for expected credit losses on trade receivables is as follows:

	<i>(Unaudited)</i> 30 June 2022 AED	<i>(Audited)</i> 31 December 2021 AED
At the beginning of the period / year	14,768,581	847,885
Acquired in business combinations	32,367,519	12,976,127
Write off	(1,026,901)	-
Charge for the period / year	<u>15,741,704</u>	<u>944,569</u>
At the end of the period / year	<u>61,850,903</u>	<u>14,768,581</u>

The carrying amounts of the Group’s trade receivables are denominated in the UAE Dirham.. The maximum exposure to credit risk at the reporting date is the carrying value of each class of the receivables mentioned above. The Group does not hold any collateral as security.

11 CASH AND BANK BALANCES

	<i>(Unaudited)</i> 30 June 2022 AED	<i>(Audited)</i> 31 December 2021 AED
Cash in hand	2,911,553	1,750,948
<i>Bank balances</i>		
Current accounts	240,803,818	170,686,923
Term deposits	25,219,724	2,293,969
Less: allowance for expected credit losses	<u>(29,901)</u>	<u>(26,511)</u>
Cash and bank balances	268,905,194	174,705,329
Less: term deposits with an original maturity of more than three months	<u>(25,219,724)</u>	<u>(2,293,969)</u>
Cash and cash equivalents	<u>243,685,470</u>	<u>172,411,360</u>

Term deposits are placed with commercial banks. These are mainly denominated in the UAE Dirhams and earn interest at market rates. These deposits have original maturity between 3 to 12 months.

12 SHARE CAPITAL

	<i>(Unaudited)</i> 30 June 2022 AED	<i>(Audited)</i> 31 December 2021 AED
<i>Authorised, issued and fully paid shares</i>		
241,600,000 ordinary shares of AED 1 each		
(31 December 2021: 100,000,000 ordinary shares of AED 1 each)	<u>241,600,000</u>	<u>100,000,000</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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12 SHARE CAPITAL continued

During the period, the shareholders approved to increase the share capital of the Company from AED 100,000,000 to AED 241,600,000 through the issuance of 141,600,000 new shares at a par value of AED 1. The new shares were issued as a purchase consideration for the acquisition of Tamween Companies Management LLC (note 5), in the following manner;

	<i>(Unaudited)</i> No. of shares	<i>(Unaudited)</i> AED
IHC Food Holding LLC	131,600,000	131,600,000
Al Ataa Investment L.L.C	<u>10,000,000</u>	<u>10,000,000</u>
	<u>141,600,000</u>	<u>141,600,000</u>

Contributed capital

Contributed capital represents a long term interest free advance from shareholders with no fixed terms of repayment. The shareholders have confirmed that this will not be called in the foreseeable future, and that, on dissolution of the company, the rights, benefits and obligations in the residual net assets and liabilities, attached to the balance in the additional shareholder contribution account, shall rank pari passu with those attached to the share capital of the company. Therefore, this advance is more akin to an equity instrument rather than a liability, and accordingly the balance has been presented within equity.

13 STATUTORY RESERVE

In accordance with the UAE Federal Law No. 2 of (2015) (as amended), and the Company’s Articles of Association, 10% of the profit for the year is transferred to legal reserve, which is non-distributable. Transfers to this reserve are required to be made until such time as it equals at least 50% of the share capital of the Company.

14 BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the period attributed to the owners of the Company by the weighted average number of shares in issue throughout the period as follows:

	<i>(Unaudited)</i> Three months ended 30 June		<i>(Unaudited)</i> Six months ended 30 June	
	2022	2021	2022	2021
	AED	AED	AED	AED
Profit attributable to the owners of the Company (AED)	<u>72,657,770</u>	14,006,130	<u>61,667,445</u>	20,947,615
Weighted average number of shares (No.)	<u>195,973,333</u>	100,000,000	<u>147,986,667</u>	100,000,000
Basic earnings per share for the period (AED)	<u>0.37</u>	0.14	<u>0.42</u>	0.21

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

15 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the shareholders, associated companies, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company’s management.

Balances due from related parties included in the interim consolidated statement of financial position are as follows:

	<i>(Unaudited)</i> 30 June 2022 AED	<i>(Audited)</i> 31 December 2021 AED
Amounts due from related parties:		
<i>Entities under common control</i>		
International Securities LLC	111,440,566	1,105,833
Tamouh Healthcare LLC	80,162,458	12,483,843
National Petroleum Construction Company	28,326,255	-
Moon Flower Real Estate Development LLC	15,479,490	-
Asmak Holding Company Limited (AHC)	14,189,629	16,218,618
Tamouh Healthcare Group LLC	6,589,260	-
Construction Workers Residential City LLC	1,343,698	-
International Holding Company PJSC	-	5,628,281
Cine Royal Cinema LLC	269,493	333,761
Al Masira Cargo Transports LLC	-	173,590
Al Yasat Catering and Restaurant Supplies LLC	-	3,090,024
Union Professional Electrical and Mechanical Works	-	158,855
Others	<u>4,406,064</u>	<u>9,902,352</u>
	262,206,913	49,095,157
<i>Other related parties</i>		
The Private Affairs Department of Sheikha Fatima	116,548,549	48,103,895
Wadi Alsidr Commercial Investment LLC	101,300,000	-
ATGC Transport & GC LLC	45,831,698	-
Meena Palace	18,451,761	29,805,721
Sarha Ship	2,118,617	3,331,800
Others	<u>3,566,893</u>	<u>1,276,982</u>
	550,024,431	131,613,555
Less: allowance for excepted credit losses	<u>(4,393,065)</u>	<u>(468,686)</u>
	<u>545,631,366</u>	<u>131,144,869</u>

Set out below is the movement in the allowance for expected credit losses of due from related parties:

	<i>(Unaudited)</i> 30 June 2022 AED	<i>(Audited)</i> 31 December 2021 AED
At the beginning of the period / year	468,686	651,737
Acquired in business combination	2,988,709	47,706
Write off during the period / year	-	(210,959)
Provision for (reversal of) expected credit losses	<u>935,670</u>	<u>(19,798)</u>
At the end of the period / year	<u>4,393,065</u>	<u>468,686</u>

Ghitha Holding PJSC (formerly “Zee Store PJSC”)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

15 RELATED PARTY TRANSACTIONS AND BALANCES continued

	<i>(Unaudited)</i> 30 June 2022 AED	<i>(Audited)</i> 31 December 2021 AED
Balances with a financial institution (<i>other related party</i>)	<u>233,873,649</u>	<u>133,356,295</u>
Borrowings from a financial institution (<i>other related party</i>)	<u>73,798,104</u>	<u>75,202,694</u>
Investment in financial assets (<i>entities under common control</i>)	<u>795,304,567</u>	<u>77,022,528</u>
Balances due to related parties included in the interim consolidated statement of financial position are as follows:		
	<i>(Unaudited)</i> 30 June 2022 AED	<i>(Audited)</i> 31 December 2021 AED
<i>Amounts due to related parties:</i>		
<i>Entities under common control</i>		
IHC Food Holding Company LLC	90,400,000	-
International Holding Company PJSC	88,188,770	95,495,863
Infinity Wave Holding LLC	49,033,630	-
Chimera Investments LLC	42,466,380	-
Pal Technology Services LLC	32,066,863	-
Al Rayan Investment	9,420,617	-
Trojan General Contracting LLC	3,660,537	-
Royal Group Companies Management LLC	2,610,552	-
Asmak Holding Company Limited	-	1,996,916
Others	<u>810,283</u>	<u>3,730,109</u>
	<u>318,657,632</u>	<u>101,222,888</u>
<i>Other related parties</i>		
H.H. Sheikh Tahnoon Bin Zayed Al Nahyan	-	400,000
Others	<u>2,191,803</u>	-
	<u>320,849,435</u>	<u>101,622,888</u>
<i>Loans from related parties</i>		
IHC Food Holding LLC	131,273,056	80,811,111
International Holding Company PJSC	<u>100,472,344</u>	-
	<u>231,745,400</u>	<u>80,811,111</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2022 (Unaudited)

15 RELATED PARTY TRANSACTIONS AND BALANCES continued

Loans from related parties continued

Loans from related parties are analysed in the interim condensed consolidated statement of financial position as follows:

	<i>(Unaudited)</i> 30 June 2022 AED	<i>(Audited)</i> 31 December 2021 AED
Current	186,745,400	80,811,111
Non-current	<u>45,000,000</u>	<u>-</u>
	<u>231,745,400</u>	<u>80,811,111</u>

Set out below is the movement in the loans from related parties:

	<i>(Unaudited)</i> 30 June 2022 AED	<i>(Audited)</i> 31 December 2021 AED
At the beginning of the period / year	80,811,111	80,000,000
Acquired in business combination (note 5)	25,000,000	-
Additions during the period / year (i & ii)	125,000,000	-
Finance cost capitalized during the period / year	<u>934,289</u>	<u>811,111</u>
At the end of the period / year	<u>231,745,400</u>	<u>80,811,111</u>

- (i) On 29 December 2020, the Group obtained a loan from IHC Food Holding LLC amounting to AED 80,000,000, to finance future investments and other business operations. The loan is payable on demand, unsecured and carries interest at the rate of 1% per annum. During the period, the Group further obtained loan from IHC Food Holding LLC of AED 25,000,000, having a maturity of 31 December 2023. The loan is unsecured and carries interest at the rate of 1% per annum.
- (ii) During the period, the Group obtained a loan from International Holding Company PJSC amounting to AED 100,000,000, to finance future investments and other business operations, having a maturity of 31 December 2022. The loan is unsecured and carries interest at the rate of 1% per annum.

Transactions with related parties entered during the period were as follows:

	<i>(Unaudited)</i> Three months ended 30 June	<i>(Unaudited)</i> Six months ended 30 June
	2022 AED	2021 AED
<i>Revenues</i>		
Entities under common control	108,376,799	16,017,302
Other related parties	<u>48,596,745</u>	<u>87,701,515</u>
	<u>156,973,544</u>	<u>103,718,817</u>
	<u>120,149,889</u>	<u>18,824,501</u>
	<u>136,553,564</u>	<u>159,062,868</u>
	<u>256,703,453</u>	<u>177,887,369</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2022 (Unaudited)

15 RELATED PARTY TRANSACTIONS AND BALANCES continued

	<i>(Unaudited)</i> <i>Three months ended</i> <i>30 June</i>		<i>(Unaudited)</i> <i>Six months ended</i> <i>30 June</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
<i>Cost of goods sold</i>				
Entities under common control	10,020,678	3,417,764	10,043,778	6,731,398
Other related parties	<u>3,228,105</u>	<u>3,620</u>	<u>3,402,165</u>	<u>40,370</u>
	<u>13,248,783</u>	<u>3,421,384</u>	<u>13,445,943</u>	<u>6,771,768</u>
Interest expense on loans from related parties	<u>554,397</u>	<u>-</u>	<u>934,289</u>	<u>-</u>
Disposal of investment in a joint venture to a related party	<u>101,000,000</u>	<u>-</u>	<u>101,000,000</u>	<u>-</u>
<i>General and administrative expenses</i>				
Entities under common control	79,190	-	373,119	-
Other related parties	<u>-</u>	<u>57,729</u>	<u>3,150</u>	<u>57,729</u>
	<u>79,190</u>	<u>57,729</u>	<u>376,269</u>	<u>57,729</u>

Compensation of key management personnel

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

	<i>(Unaudited)</i> <i>Three months ended</i> <i>30 June</i>		<i>(Unaudited)</i> <i>Six months ended</i> <i>30 June</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
Management remuneration	3,056,016	125,109	4,463,109	720,897
Employees' end of service benefits	<u>116,302</u>	<u>13,687</u>	<u>148,164</u>	<u>42,057</u>
	<u>3,172,318</u>	<u>138,796</u>	<u>4,611,273</u>	<u>762,954</u>

16 CONTINGENT LIABILITIES AND COMMITMENTS

	<i>(Unaudited)</i> <i>30 June</i> <i>2022</i> <i>AED</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>AED</i>
Letters of credit and guarantee	<u>81,904,267</u>	<u>25,743,964</u>
Commitment for capital expenditures	<u>26,350</u>	<u>1,152,150</u>

The above letters of guarantee have been issued from a local bank in the ordinary course of business on which the bank charges a fee at the market rate.

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17 FAIR VALUES MEASUREMENT

Fair value of the Group’s assets that are measured at fair value on recurring basis

Some of the Group’s financial assets are measured at fair value at the end of the reporting period. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable and gives information about how the fair value of these financial assets are determined

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Group held the following financial instrument measured at fair value:

	<i>Fair value as at</i>					
	<i>30 June</i>	<i>31 December</i>				
	<i>2022</i>	<i>2021</i>				
	<i>(unaudited)</i>	<i>(audited)</i>	<i>Fair value</i>	<i>Valuation</i>	<i>Significant</i>	<i>Relationship of</i>
	<i>AED</i>	<i>AED</i>	<i>hierarchy</i>	<i>techniques and</i>	<i>unobservable</i>	<i>unobservable inputs to</i>
				<i>key inputs</i>	<i>input</i>	<i>fair value</i>
<u>Financial assets:</u>						
Quoted equity investments – investments carried at fair value through profit of loss	639,952,179	82,747,019	Level 1	Quoted bid prices in an active market.	None	Not applicable
Quoted equity investments – investments carried at fair value through other comprehensive income	192,164,043	-	Level 1	Quoted bid prices in an active market.	None	Not applicable
Unquoted equity investments – investments carried at fair value through other comprehensive income	5,068,367	-	Level 3	Discounted cash flow method and latest transaction price.	Net assets value	Higher the net assets value of the investees, higher the fair value.

There were no transfers between each of levels during the period. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

18 SEASONALITY OF RESULTS

No significant income of seasonal nature was recorded in the interim condensed consolidated statement of profit or loss for the six months period ended 30 June 2022 and 30 June 2021.

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19 SEGMENT REPORTING

For operating purposes, the Group organised into business segments as follows:

Consumer goods	Includes retail and wholesale of traded and manufactured consumer products
Catering	Offers catering services to public and private organizations in UAE
Facility Management Services	Offers a range of facilities management services with customized solutions to various businesses across a variety of sectors
Manufacturing	Engaged in the manufacturing and distribution of clinker and cements across UAE and internationally.
Contracting	Provides tents, shades and mobile halls to customers, building field hospitals and offers a wide range of services including planning, design consultancy and delivery of high end interiors
Others	(unallocated) includes head office expenses and income not allocated to any segment

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022 (Unaudited)

19 SEGMENT REPORTING continued

Six months period ended 30 June 2022 (Unaudited)

Description	Consumer goods AED	Catering AED	Facility management services AED	Manufacturing AED	Contracting AED	Others AED	Inter segment eliminations AED	Total AED
Revenue from contract with customers	731,568,614	77,733,449	28,954,804	11,058,637	87,372,496	-	(54,564,925)	882,123,075
Cost of sales	<u>(632,772,245)</u>	<u>(40,011,229)</u>	<u>(15,537,958)</u>	<u>(12,157,459)</u>	<u>(69,505,052)</u>	-	<u>54,564,925</u>	<u>(715,419,018)</u>
Gross profit	98,796,369	37,722,220	13,416,846	(1,098,822)	17,867,444	-	-	166,704,057
General and administrative expenses	(42,267,912)	(3,505,524)	(2,293,692)	(14,143,937)	(2,261,921)	(2,078,542)	411,021	(66,140,507)
Selling and distribution expenses	(21,347,233)	-	-	-	-	-	-	(21,347,233)
Share of loss from investment in associates and a joint venture	(19,926,073)	-	-	-	-	(231,017)	-	(20,157,090)
Gain on disposal of investment in a joint venture	37,379,439	-	-	-	-	-	-	37,379,439
Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal	(7,077,215)	-	-	-	-	-	-	(7,077,215)
Changes in fair value of investments carried at fair value through profit or loss	8,584,197	-	-	-	-	(29,962,352)	-	(21,378,155)
Other income (expenses)	8,062,729	-	-	1,021,200	-	-	(853,913)	8,230,016
Finance costs	<u>(4,869,798)</u>	<u>(7,132)</u>	<u>(6,741)</u>	<u>(146,106)</u>	<u>(2,313)</u>	<u>(417)</u>	<u>442,892</u>	<u>(4,589,615)</u>
Profit for the period	<u>57,334,503</u>	<u>34,209,564</u>	<u>11,116,413</u>	<u>(14,367,665)</u>	<u>15,603,210</u>	<u>(32,272,328)</u>	<u>-</u>	<u>71,623,697</u>
Segment assets	<u>2,558,313,702</u>	<u>835,861,227</u>	<u>165,574,500</u>	<u>405,836,859</u>	<u>493,416,097</u>	<u>4,281,711,673</u>	<u>(4,549,180,114)</u>	<u>4,191,533,944</u>
Segment liabilities	<u>1,500,402,006</u>	<u>75,970,924</u>	<u>49,874,519</u>	<u>76,960,105</u>	<u>339,915,387</u>	<u>233,014,232</u>	<u>(1,031,168,415)</u>	<u>1,244,968,758</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2022 (Unaudited)

19 SEGMENT REPORTING continued

Six months period ended 30 June 2021 (Unaudited)

Description	Consumer goods AED	Catering AED	Facility management services AED	Manufacturing AED	Contracting AED	Others AED	Inter segment eliminations AED	Total AED
Revenue from contract with customers	281,166,373	-	-	-	-	-	-	281,166,373
Cost of sales	(242,798,950)	-	-	-	-	-	-	(242,798,950)
Gross profit	38,367,423	-	-	-	-	-	-	38,367,423
General and administrative expenses	(19,362,691)	-	-	-	-	-	-	(19,362,691)
Changes in fair value of investments carried at fair value through profit or loss	4,230,000	-	-	-	-	-	-	4,230,000
Other income	606,541	-	-	-	-	-	-	606,541
Finance costs	(1,142,983)	-	-	-	-	-	-	(1,142,983)
Profit for the period	<u>22,698,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,698,290</u>

As at 31 December 2021 (Audited)

Description	Consumer goods AED	Catering AED	Facility management services AED	Manufacturing AED	Contracting AED	Others AED	Inter segment eliminations AED	Total AED
Segment assets	<u>1,488,815,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,488,815,044</u>
Segment liabilities	<u>525,484,596</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>525,484,596</u>