

**AI MEERA CONSUMER GOODS COMPANY Q.P.S.C.
DOHA QATAR**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX MONTH PERIOD ENDED
30 JUNE 2021**

AL MEERA CONSUMER GOODS COMPANY Q.P.S.C.

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REVIEW REPORT**

For the six month period ended 30 June 2021

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QR. 99-8

RN: 404/MMS/FY2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Board of Directors of
Al Meera Consumer Goods Company Q.P.S.C.
Doha, Qatar

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Meera Consumer Goods Company Q.P.S.C. (the "Parent") and its subsidiaries (together referred to as the "Group") as of 30 June 2021, and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six month period then ended, and other related 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' as issued by International Accounting Standards Board (IASB). 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 International Accounting Standard 34 "Interim Financial Reporting".

Doha – Qatar
11 August 2021

For Deloitte & Touche
Qatar Branch


Midhat Salha
Partner
License No. 257
QFMA Auditor License No. 120156



AL MEERA CONSUMER GOODS COMPANY Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six month period ended 30 June 2021

	<u>Six month period ended 30 June</u>	
	2021	2020
	<u>Note</u> <u>(Reviewed)</u> QR.	<u>(Reviewed)</u> QR.
Sales	1,486,926,863	1,907,788,929
Cost of sales	<u>(1,211,693,614)</u>	<u>(1,596,717,997)</u>
Gross profit	275,233,249	311,070,932
Rental income	39,089,635	27,510,376
Other income	12,907,572	12,476,432
General and administrative expenses	(157,716,611)	(176,148,281)
Depreciation and amortisation expenses	(58,964,151)	(57,603,664)
Finance costs	(10,274,334)	(8,565,351)
Share of loss of an associate	<u>(17,854)</u>	<u>(951,684)</u>
Profit before tax	100,257,506	107,788,760
Income tax expense	<u>(84,994)</u>	<u>(62,724)</u>
Profit for the period	<u>100,172,512</u>	<u>107,726,036</u>
Attributable to:		
Equity holders of the parent	100,117,165	107,172,868
Non-controlling interests	<u>55,347</u>	<u>553,168</u>
	<u>100,172,512</u>	<u>107,726,036</u>
Basic and diluted earnings per share attributable to equity holders of the parent	4 <u>0.50</u>	<u>0.54</u>



This consolidated statement has been prepared by the Group and stamped by the Auditors for identification purposes only

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AL MEERA CONSUMER GOODS COMPANY Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six month period ended 30 June 2021

	Six month period ended 30 June	
	2021 (Reviewed) QR.	2020 (Reviewed) QR.
Profit for the period	100,172,512	107,726,036
<i>Other comprehensive loss</i> <i>Items that will not be reclassified subsequently to</i> <i>consolidated statement of profit or loss</i>		
Net changes in the fair value of financial assets at fair value through other comprehensive income	(4,430,843)	(2,827,383)
Total comprehensive income for the period	95,741,669	104,898,653
Attributable to:		
Equity holders of the parent	95,686,322	104,345,485
Non-controlling interests	55,347	553,168
	95,741,669	104,898,653

DELOITTE & TOUCHE
Doha- Qatar

11 AUG 2021

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FINANCIAL STATEMENTS

AL MEERA CONSUMER GOODS COMPANY Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2021

	Notes	30 June 2021 (Reviewed) QR.	31 December 2020 (Audited) QR.
ASSETS			
Non-current assets			
Property and equipment	5	1,212,609,652	1,115,073,874
Right-of-use assets	6	304,582,613	207,471,146
Goodwill	7	344,097,998	344,097,998
Intangible assets	8	825,160	1,389,904
Financial assets at fair value through other comprehensive income	9	360,177,523	346,915,631
Deferred tax assets		472,359	472,359
Total non-current assets		2,222,765,305	2,015,420,912
Current assets			
Inventories	10	202,741,502	198,719,012
Trade and other receivables		82,689,223	58,476,248
Amounts due from related parties	15 (b)	19,352,306	18,851,044
Bank balances and cash	11	311,158,350	448,888,395
Total current assets		615,941,381	724,934,699
TOTAL ASSETS		2,838,706,686	2,740,355,611
EQUITY AND LIABILITIES			
Equity			
Share capital		200,000,000	200,000,000
Legal reserve		901,289,603	901,289,603
Optional reserve		21,750,835	21,750,835
Fair value reserve		59,939,796	68,750,766
Retained earnings		267,440,794	345,184,917
Equity attributable to equity holders of the parent		1,450,421,028	1,536,976,121
Non-controlling interests		41,132,414	41,077,067
Total equity		1,491,553,442	1,578,053,188
Non-current liabilities			
Loans and borrowings	13	284,917,144	192,829,002
Lease liabilities	14	264,710,587	178,920,029
Employees' end of service benefits		44,418,521	43,801,028
Retentions payable		2,570,712	1,785,315
Total non-current liabilities		596,616,964	417,335,374
Current liabilities			
Trade and other payables		660,001,251	672,483,293
Lease liabilities	14	51,291,025	38,027,680
Loans and borrowings	13	39,244,004	34,456,076
Total current liabilities		750,536,280	744,967,049
Total liabilities		1,347,153,244	1,162,302,423
TOTAL EQUITY AND LIABILITIES		2,838,706,686	2,740,355,611

H.E. Abdulla Abdulaziz Abdulla Turki Al-Subaie
Chairman

Mr. Ali Hilal Ali Omran Al-Kuwari
Vice Chairman

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AL MEERA CONSUMER GOODS COMPANY Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six month period ended 30 June 2021

	Equity attributable to equity holders of the parent					Total	Non-controlling interest	Total equity
	Share capital	Legal reserve	Optional reserve	Fair value reserve	Retained earnings			
	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Balance at 1 January 2021 (Audited)	200,000,000	901,289,603	21,750,835	68,750,766	345,184,917	1,536,976,121	41,077,067	1,578,053,188
Profit for the period	--	--	--	--	100,117,165	100,117,165	55,347	100,172,512
Reclassification of gain on sale of financial assets at fair value through other comprehensive income	--	--	--	(4,380,127)	4,380,127	--	--	--
Other comprehensive loss for the period	--	--	--	(4,430,843)	--	(4,430,843)	--	(4,430,843)
Appropriation for contribution to social and sports fund	--	--	--	--	(2,241,415)	(2,241,415)	--	(2,241,415)
Dividends paid (Note 12)	--	--	--	--	(180,000,000)	(180,000,000)	--	(180,000,000)
Balance at 30 June 2021 (Reviewed)	200,000,000	901,289,603	21,750,835	59,939,796	267,440,794	1,450,421,028	41,132,414	1,491,553,442
Balance at 1 January 2020 (Audited)	200,000,000	901,289,603	21,750,835	229,617	310,129,318	1,433,399,373	40,183,925	1,473,583,298
Profit for the period	--	--	--	--	107,172,868	107,172,868	553,168	107,726,036
Reclassification of losses on sale of financial assets at fair value through other comprehensive income	--	--	--	1,716,801	(1,716,801)	--	--	--
Other comprehensive loss for the period	--	--	--	(2,827,383)	--	(2,827,383)	--	(2,827,383)
Appropriation for contribution to social and sports fund	--	--	--	--	(2,446,948)	(2,446,948)	--	(2,446,948)
Dividends paid (Note 12)	--	--	--	--	(170,000,000)	(170,000,000)	--	(170,000,000)
Balance at 30 June 2020 (Reviewed)	200,000,000	901,289,603	21,750,835	(880,965)	243,138,437	1,365,297,910	40,737,093	1,406,035,003

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AL MEERA CONSUMER GOODS COMPANY Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six month period ended 30 June 2021

	Six month period ended 30 June	
	2021 (Reviewed) QR.	2020 (Reviewed) QR.
OPERATING ACTIVITIES		
Profit for the period before income tax	100,257,506	107,788,760
<i>Adjustments for:</i>		
Depreciation and amortisation	58,964,151	57,603,664
Provision for employees' end of service benefits	3,565,341	6,738,823
Provision for obsolete and slow moving inventories	1,735,505	16,460,106
Allowance recognised for credit loss	72,741	4,983,043
Finance costs	10,274,334	8,565,351
Dividend income from financial assets at fair value through other comprehensive income	(10,515,911)	(9,294,954)
Share of loss on an associate	17,854	951,684
Loss/(gain) on disposal of property and equipment	87,374	(467,913)
Interest income	(2,128,297)	(1,718,151)
Operating profit before changes in working capital	162,330,598	191,610,413
<i>Working capital changes:</i>		
Trade and other receivables	(25,033,089)	(21,067,221)
Inventories	(5,757,995)	(29,106,575)
Amounts due from related parties	(501,262)	(1,521,630)
Trade, retentions and other payables	(27,904,979)	161,356,607
Cash flows from operating activities	103,133,273	301,271,594
Payment of contribution to social and sports fund	(4,989,523)	(4,452,991)
Income tax paid	(421,316)	(168,632)
Employees' end of service benefits paid	(2,947,848)	(1,942,687)
Net cash generated from operating activities	94,774,586	294,707,284
INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(77,532,250)	(64,170,591)
Proceeds from sale of financial assets at fair value through other comprehensive income	59,839,515	53,185,842
Purchase of property and equipment	(131,167,677)	(23,807,297)
Proceeds from disposal of property and equipment	123,484	589,737
Purchase of intangible assets	(49,980)	--
Net movement in restricted bank accounts	(27,624,737)	(16,705,678)
Net movement in deposits maturing after 90 days	(11,900,000)	(70,800,000)
Dividends received	10,515,911	9,294,954
Interest received	2,603,142	2,077,673
Net cash flows used in investing activities	(175,192,592)	(110,335,360)

DELOITTE & TOUCHE
Doha - Qatar

11 AUG 2021

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AL MEERA CONSUMER GOODS COMPANY Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six month period ended 30 June 2021

	Six month period ended 30 June	
	2021 (Reviewed) QR.	2020 (Reviewed) QR.
FINANCING ACTIVITIES		
Dividends paid	(161,863,405)	(153,374,021)
Finance costs paid	(2,717,982)	(6,638,887)
Repayment of principal portion of lease liabilities	(22,049,462)	(19,608,838)
Repayment of interest portion of lease liabilities	(7,354,525)	(6,505,202)
Net movement in loans and borrowings	96,876,070	(1,218,123)
Net cash flows used in financing activities	(97,109,304)	(187,345,071)
Net decrease in cash and cash equivalents	(177,527,310)	(2,973,147)
Cash and cash equivalents at 1 January	271,677,522	206,942,338
Cash and cash equivalents at 30 June	94,150,212	203,969,191

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Doha - Qatar

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AL MEERA CONSUMER GOODS COMPANY Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended 30 June 2021

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

On 13 July 2004, the Law No. (24) for 2004 was issued in order to transfer the former Consumers Cooperative Societies to Qatari Shareholding Company with a capital of QR 100,000,000, thus, incorporating a new company Al Meera Consumer Goods Company Q.P.S.C. (the “Company”), which is governed by the Qatar Commercial Companies Law No. 11 of 2015. The Company was registered under commercial registration number 29969 on 2 March 2005. The Company’s registered office address is at P.O. Box 3371 Doha, State of Qatar.

On 8 October 2012, the shareholders approved the increase in share capital to 20,000,000 shares with nominal value of QR. 10 per share. The 10,000,000 shares were issued at QR. 95 per share and subscription was closed on 10 February 2013.

In 2019, and to comply with the instructions of Qatar Financial Markets Authority, the Company implemented a 10 for 1 share split i.e. 10 new shares with a par value of QR. 1 each were exchanged for 1 old share with a par value of QR. 10 each. The Company obtained its shareholders’ approval at the Company’s Extraordinary General Assembly held on 24 March 2019. The share split was approved by Ministry of Economy and Commerce together with the approval of the amended Articles of Association. The listing of the new shares on Qatar Exchange was effective from 18 June 2019.

The Company and its subsidiaries (together the “Group”) are mainly involved in wholesale and retail trading of various types of consumer goods commodities, owning and managing consumer outlets and trading in food stuff and consumer goods.

The Company is listed on the Qatar Exchange and 26% ownership of the Company is held by Qatar Holding L.L.C.

These interim condensed consolidated financial statements of the Group for the six month period ended 30 June 2021 were authorized for issue by the Board of Directors on 11 August 2021.

The Group’s subsidiaries and associates are as follows:

<i>Name of subsidiaries and associates</i>	<i>Country of incorporation</i>	<i>Relationship</i>	<i>Group effective shareholding percentage</i>	
			<i>2021</i>	<i>2020</i>
Al Meera Holding Company W.L.L.	Qatar	Subsidiary	100%	100%
Al Meera Supermarkets Company W.L.L.	Qatar	Subsidiary	100%	100%
Al Meera Development Company W.L.L.	Qatar	Subsidiary	100%	100%
Qatar Markets Company W.L.L.	Qatar	Subsidiary	100%	100%
Al Meera Bookstore W.L.L.	Qatar	Subsidiary	100%	100%
MAAR Trading & Services Company W.L.L.	Qatar	Subsidiary	100%	100%
Al Meera Logistics Services Company W.L.L.	Qatar	Subsidiary	100%	100%
Al Meera Oman S.A.O.C	Oman	Subsidiary	70%	70%
Al Meera Markets S.A.O.C	Oman	Subsidiary	70%	70%
Al Oumara Bakeries Company W.L.L.	Qatar	Associate	51%	51%

Al Meera Holding Company W.L.L. (“Al Meera Holding”) is a limited liability company, incorporated in the State of Qatar. The Company is a holding company for holding the Group’s investments and managing its subsidiaries, owning patents, trademarks and real estate needed to carry out its activities.

Al Meera Supermarkets Company W.L.L. (“Al Meera Supermarkets”) is a limited liability company incorporated in the State of Qatar. The Company is engaged in the establishment and management of business enterprise and investing therein, owning shares, moveable and immoveable properties necessary to carry out its activities.

AL MEERA CONSUMER GOODS COMPANY Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended 30 June 2021

1. INCORPORATE AND PRINCIPAL ACTIVITIES (CONTINUED)

Al Meera Development Company W.L.L. (“Al Meera Development”) is a limited liability company, incorporated in the State of Qatar. The Company is engaged in establishment and management of business enterprise and investing therein, owning patents, trade-works and real estate needed to carry out its activities.

Qatar Markets Company W.L.L. (“Qatar Markets”) is a limited liability company, incorporated in the State of Qatar. The Company is engaged in the sale of food stuff, household items and garments.

Al Meera Bookstore W.L.L. (“Al Meera Bookstore”) is a limited liability company incorporated in the State of Qatar. The Company is engaged in the sale of stationery, computer accessories, books and toys. During 2020, the board of directors resolved to discontinue the operation of Al Meera Bookstore (Refer to Note 20).

MAAR Trading & Services Co W.L.L. (“MAAR Trading”) is a limited liability company incorporated in State of Qatar. The Company is engaged in the sale of food stuff and household items.

Al Meera Logistics Services W.L.L. (“Al Meera Logistics”) is a limited liability company, incorporated in the State of Qatar. The Company is engaged in the warehousing and delivery truck services. In December 2019, Al Meera Logistics was fully acquired by the Parent Company and was accounted as a subsidiary. As of the reporting date, this company has not commenced its commercial operations.

Al Meera Oman S.A.O.C (“Al Meera Oman”) is a limited liability company, incorporated in Sultanate of Oman. The Company is engaged in the construction and management of shopping centers and related facilities. As of the reporting date, company has not commenced its commercial operations.

Al Meera Markets S.A.O.C. (“Al Meera Market”) is a limited liability company, incorporated in Sultanate of Oman. The Company is engaged in the establishment and operation of shopping centers, supermarkets and hypermarkets.

Al Oumara Bakeries Company W.L.L. (“Al Oumara Bakeries”) is a limited liability company, incorporated in the State of Qatar. The Company is engaged in manufacture and sale of bakery products.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six month period ended 30 June 2021 have been prepared in accordance with with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”), and in conformity with Qatar Commercial Companies Law.

The interim condensed consolidated financial statements have been presented in Qatar Riyals (“QR.”), which is the functional and presentation currency of the Group.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2020. In addition, the results for the six month period ended 30 June 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

2. BASIS OF PREPARATION (CONTINUED)

Judgments, estimates and risk management

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual consolidated financial statements for the year ended 31 December 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of this interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, and the notes attached thereto, except for the adoption of certain new and revised standards, that became effective in the current period as set out below.

(i) New and amended IFRS Standards that are effective for the current year

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Interest Rate Benchmark Reform—Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to: – changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities; and – hedge accounting.	1 January 2021

The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

AL MEERA CONSUMER GOODS COMPANY Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) New and revised standards and interpretations but not yet effective

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IFRS 3 - Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16 - Property, Plant and Equipment—Proceeds before Intended Use	1 January 2022
Amendments to IAS 37 - Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle - Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture	1 January 2022
IFRS 17 <i>Insurance Contracts</i>	1 January 2022
IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 <i>Insurance Contracts</i> as at January 1, 2023.	
Amendments to IAS 1- Classification of Liabilities as Current or Non-current	1 January 2022
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2022
Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2022

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the consolidated financial statements of the Group in the period of initial application.

AL MEERA CONSUMER GOODS COMPANY Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended 30 June 2021

4. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the profit attributable to the equity holders of the parent company for the period by the number of shares outstanding during the period as follows:

	Six month period ended 30 June	
	2021	2020
	(Reviewed)	(Reviewed)
Profit for the period attributable to equity holders of the parent (QR.)	100,117,165	107,172,868
Weighted average number of ordinary shares outstanding	200,000,000	200,000,000
Basic and diluted earnings per share (QR.)	0.50	0.54

- (i) Basic and diluted earnings per share are equal as the Company has not issued any instruments which will dilute the existing shareholding.

5. PROPERTY AND EQUIPMENT

	30 June	31 December
	2021	2020
	(Reviewed)	(Audited)
	QR.	QR.
Cost:		
Balance at the beginning of the period/ year	1,593,345,726	1,534,570,040
Additions during the period/ year	133,592,614	62,837,148
Disposals during the period/ year	(448,802)	(4,061,462)
Balance at the end of the period/ year	1,726,489,538	1,593,345,726
Accumulated depreciation:		
Balance at the beginning of the period/ year	478,271,852	409,992,424
Charge for the period/ year	35,845,978	71,674,861
Relating to disposals	(237,944)	(3,395,433)
Balance at the end of the period/ year	513,879,886	478,271,852
Net carrying amount at the end of the period/ year	1,212,609,652	1,115,073,874

Please refer to Note 21 for the assessment and conclusion on the impact of COVID-19 on these interim condensed consolidated financial statements.

AL MEERA CONSUMER GOODS COMPANY Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended 30 June 2021

6. RIGHT-OF-USE ASSETS

The Group leases several assets including land and buildings. Rental contracts are typically for extendable fixed periods of time.

	30 June 2021 (Reviewed) QR.	31 December 2020 (Audited) QR.
Net book value at beginning of the period/ year	207,471,146	223,397,648
Additions	116,215,783	50,159,957
Contract modification	4,887,582	(2,280,151)
Derecognition of right-of-use assets	--	(19,729,970)
Amortisation expense	(22,503,449)	(43,408,788)
Transferred to work-in-progress	(1,488,449)	(557,524)
Allocated to an associate	--	(110,026)
Carrying value at the end of the period/ year	<u>304,582,613</u>	<u>207,471,146</u>

Please refer to Note 21 for the assessment and conclusion on the impact of COVID-19 on these interim condensed consolidated financial statements.

7. GOODWILL

	30 June 2021 (Reviewed) QR.	31 December 2020 (Audited) QR.
Qatar Markets Company W.L.L.	227,028,986	227,028,986
Al Meera Market S.A.O.C. (Al Safeer Oman)	117,069,012	117,069,012
	<u>344,097,998</u>	<u>344,097,998</u>

Management performs goodwill impairment assessment annually and when there are indications that the carrying value may be impaired. Management believes that any reasonably possible change in the key assumptions used for impairment assessment performed on 31 December 2020 will not cause the carrying value of the goodwill to materially exceed its recoverable amount. Accordingly, no impairment loss was recognised for the six month period ended 30 June 2021 (30 June 2020: Nil).

Please refer to Note 21 for the assessment and conclusion on the impact of COVID-19 on these interim condensed consolidated financial statements.

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8. INTANGIBLE ASSETS

This represents computer software, customer contracts and non-compete agreement acquired by the Group. These assets are amortised over its useful economic lives.

	30 June 2021 (Reviewed) QR.	31 December 2020 (Audited) QR.
Cost:		
Balance at the beginning of the period/ year	17,880,025	17,880,025
Addition for the period/ year	49,980	--
Balance at the end of the period/ year	<u>17,930,005</u>	<u>17,880,025</u>
Accumulated amortisation:		
Balance at the beginning of the period/ year	16,490,121	15,148,510
Charge for the period/ year	614,724	1,341,611
Balance at the end of the period/ year	<u>17,104,845</u>	<u>16,490,121</u>
Net carrying amount at the end of the period/ year	<u><u>825,160</u></u>	<u><u>1,389,904</u></u>

Please refer to Note 21 for the assessment and conclusion on the impact of COVID-19 on these interim condensed consolidated financial statements.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2021 (Reviewed) QR.	31 December 2020 (Audited) QR.
Quoted equity shares	353,880,221	340,855,380
Unquoted equity shares	6,297,302	6,060,251
	<u>360,177,523</u>	<u>346,915,631</u>

10. INVENTORIES

	30 June 2021 (Reviewed) QR.	31 December 2020 (Audited) QR.
Finished goods	227,195,141	221,795,626
Consumables and spare parts	1,268,541	910,061
	<u>228,463,682</u>	<u>222,705,687</u>
Less: Provision for obsolete and slow moving inventories	<u>(25,722,180)</u>	<u>(23,986,675)</u>
	<u><u>202,741,502</u></u>	<u><u>198,719,012</u></u>

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11. CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents comprise the following:

	30 June 2021 (Reviewed) QR.	31 December 2020 (Audited) QR.
Cash on hand	1,989,302	1,838,649
Cash at banks	86,460,910	78,938,873
Short term deposits	5,700,000	190,900,000
	94,150,212	271,677,522
Term deposits maturing after 90 days	95,200,000	83,300,000
Restricted bank accounts	122,024,869	94,400,132
Allowance for credit loss on term deposits	(216,731)	(489,259)
Cash and cash equivalents	311,158,350	448,888,395

12. DIVIDENDS

During the current period, following the approval at the Annual General Assembly held on 28 March 2021, the Company declared a cash dividend of QR. 0.90 per share totaling to QR. 180 million (2020: QR. 0.85 per share, totaling to QR. 170 million) relating to the year 2020.

13. LOANS AND BORROWINGS

	30 June 2021 (Reviewed) QR.	31 December 2020 (Audited) QR.
Loan 1	89,181,271	89,181,330
Loan 2	216,656,610	125,000,000
Loan 3	18,854,954	13,706,923
Deferred financing arrangement cost	(531,687)	(603,175)
	324,161,148	227,285,078

Presented in the interim condensed consolidated statement of financial position as follows:

	30 June 2021 (Reviewed) QR.	31 December 2020 (Audited) QR.
Non-current portion	284,917,144	192,829,002
Current portion	39,244,004	34,456,076
	324,161,148	227,285,078

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14. LEASE LIABILITIES

	30 June 2021 (Reviewed) QR.	31 December 2020 (Audited) QR.
At beginning of the period/ year	216,947,709	226,517,863
Additions during the period/ year	116,215,783	50,159,957
Contract modification	4,887,582	(1,255,478)
Derecognition of lease liability	--	(19,729,970)
Accretion of interest	7,354,525	10,808,776
Payments during the period/ year	(29,403,987)	(49,553,439)
At the end of the period/ year	<u>316,001,612</u>	<u>216,947,709</u>

Presented in the interim condensed consolidated statement of financial position as follows:

Current	51,291,025	38,027,680
Non-current	264,710,587	178,920,029
	<u>316,001,612</u>	<u>216,947,709</u>

15. RELATED PARTY DISCLOSURES

a) Related party transactions

Related parties represent associated companies, Government and semi Government agencies, associates, major shareholders, directors and key management personnel of the Group and companies of which they are principal owners. In the ordinary course of business, the Group enters into transactions with related parties. Pricing policies and terms of transactions are approved by the Group's management.

Qatar Holding L.L.C. holds 26% of the Company's share capital. In the course of business, the Group supplies its commodities to various Government and semi-Government agencies in the State of Qatar. The Group also avails various services from these parties in the State of Qatar.

Transactions with related parties included in the interim condensed consolidated statement of profit or loss are as follows:

	Six month period ended 30 June	
	2021 (Reviewed) QR.	2020 (Reviewed) QR.
<i>Al Oumara Bakeries Company W.L.L. (Associate):</i>		
Sales	--	2,562,630
Purchase of goods	--	241,210
Sales commission expenses	--	576,592
Staff cost expenses	--	1,450,927

b) Due from related parties

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

	30 June 2021 (Reviewed) QR.	31 December 2020 (Audited) QR.
<i>Associates:</i>		
Al Oumara Bakeries Company W.L.L.	19,352,306	18,851,044
	<u>19,352,306</u>	<u>18,851,044</u>

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15. RELATED PARTY DISCLOSURES (CONTINUED)

c) Compensation of key management personnel

The remuneration of directors and other members of key management during the period is as follows:

	Six month period ended 30 June	
	2021	2020
	(Reviewed)	(Reviewed)
	QR.	QR.
Key management remuneration	4,832,740	4,771,122
Board of Directors' remuneration	3,202,250	4,536,815
	8,034,990	9,307,937

16. SEGMENT REPORTING

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- The retail segment, which comprises the buying and selling of consumer goods.
- The investment segment, which comprises equity and funds held as investment in associates, financial assets at fair value through other comprehensive income and fixed deposits.
- The leasing segment, which comprises letting of vacant premises and spaces in malls.

Management monitors the operating results for its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured the same as the operating profit or loss in the interim condensed consolidated financial statements.

Period ended 30 June 2021: (Reviewed)

	Retail	Investment	Leasing	Total
	QR.	QR.	QR.	QR.
Sales	1,486,926,863	--	--	1,486,926,863
Cost of sales	<u>(1,211,693,614)</u>	--	--	<u>(1,211,693,614)</u>
Gross profit	275,233,249	--	--	275,233,249
Rental income	--	--	39,089,635	39,089,635
Income from equity investment	--	9,508,711	--	9,508,711
Income from fixed deposits	--	1,828,057	--	1,828,057
Other income	<u>1,570,804</u>	--	--	<u>1,570,804</u>
Operating income	276,804,053	11,336,768	39,089,635	327,230,456
General and administrative expenses	(154,338,202)	(1,157,701)	(2,220,708)	(157,716,611)
Depreciation and amortization	(53,551,233)	(553,609)	(4,859,309)	(58,964,151)
Finance costs	(9,728,617)	(31,244)	(514,473)	(10,274,334)
Share of loss of an associate	--	(17,854)	--	(17,854)
Profit for the period before income tax	59,186,001	9,576,360	31,495,145	100,257,506
Income tax expense	(84,994)	--	--	(84,994)
Profit for the period	59,101,007	9,576,360	31,495,145	100,172,512

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16. SEGMENT REPORTING (CONTINUED)

Period ended 30 June 2020: (Reviewed)

	<u>Retail</u> QR.	<u>Investment</u> QR.	<u>Leasing</u> QR.	<u>Total</u> QR.
Sales	1,907,788,929	--	--	1,907,788,929
Cost of sales	<u>(1,596,717,997)</u>	--	--	<u>(1,596,717,997)</u>
Gross profit	311,070,932	--	--	311,070,932
Rental income	--	--	27,510,376	27,510,376
Income from equity investment	--	8,184,502	--	8,184,502
Income from fixed deposits	--	1,319,185	--	1,319,185
Other income	<u>2,972,745</u>	--	--	<u>2,972,745</u>
Operating income	314,043,677	9,503,687	27,510,376	351,057,740
General and administrative expenses	(172,256,022)	(534,049)	(3,358,210)	(176,148,281)
Depreciation and amortization	(52,341,614)	(535,988)	(4,726,062)	(57,603,664)
Finance costs	(8,112,617)	--	(452,734)	(8,565,351)
Share of loss of an associate	--	<u>(951,684)</u>	--	<u>(951,684)</u>
Profit for the period before income tax	81,333,424	7,481,966	18,973,370	107,788,760
Income tax benefit	<u>(62,724)</u>	--	--	<u>(62,724)</u>
Profit for the period	<u>81,270,700</u>	<u>7,481,966</u>	<u>18,973,370</u>	<u>107,726,036</u>

Note:

The Group sales from all segments are generated from external customers and no inter-segment transactions occurred during the period.

The following table presents segmental assets regarding the Group's business segments for the period ended 30 June 2021 and for the year ended 31 December 2020 respectively.

	<u>Retail</u> QR.	<u>Investment</u> QR.	<u>Leasing</u> QR.	<u>Total</u> QR.
Segment assets				
At 30 June 2021 (Reviewed)	<u>2,084,391,089</u>	<u>465,252,027</u>	<u>289,063,570</u>	<u>2,838,706,686</u>
At 31 December 2020 (Audited)	<u>1,933,850,302</u>	<u>523,435,814</u>	<u>283,069,496</u>	<u>2,740,355,612</u>

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16. SEGMENT REPORTING (CONTINUED)

Geographically, the Group operates in the State of Qatar and the Sultanate of Oman. The following is a summary of key balances related to each geography:

	Qatar		Oman		Eliminations		Total	
	30 June 2021 (Reviewed) QR.	31 December 2020 (Audited) QR.	30 June 2021 (Reviewed) QR.	31 December 2020 (Audited) QR.	30 June 2021 (Reviewed) QR.	31 December 2020 (Audited) QR.	30 June 2021 (Reviewed) QR.	31 December 2020 (Audited) QR.
Total assets	<u>2,570,714,994</u>	<u>2,481,439,073</u>	<u>313,585,131</u>	<u>302,891,740</u>	<u>(45,593,439)</u>	<u>(43,975,202)</u>	<u>2,838,706,686</u>	<u>2,740,355,611</u>
Total liabilities	<u>1,214,539,080</u>	<u>1,039,008,453</u>	<u>176,477,064</u>	<u>165,968,195</u>	<u>(43,862,900)</u>	<u>(42,674,225)</u>	<u>1,347,153,244</u>	<u>1,162,302,423</u>

	Qatar		Oman		Eliminations		Total	
	Six month period ended 30 June		Six month period ended 30 June		Six month period ended 30 June		Six month period ended 30 June	
	2021 (Reviewed) QR.	2020 (Reviewed) QR.	2021 (Reviewed) QR.	2020 (Reviewed) QR.	2021 (Reviewed) QR.	2020 (Reviewed) QR.	2021 (Reviewed) QR.	2020 (Reviewed) QR.
Sales	<u>1,416,490,281</u>	<u>1,824,773,036</u>	<u>70,436,582</u>	<u>83,015,893</u>	<u>--</u>	<u>--</u>	<u>1,486,926,863</u>	<u>1,907,788,929</u>
Profit (loss)	<u>100,417,381</u>	<u>106,373,246</u>	<u>184,557</u>	<u>1,825,453</u>	<u>(429,426)</u>	<u>(472,663)</u>	<u>100,172,512</u>	<u>107,726,036</u>

Note:

Actual profits generated in the above stated locations, have been adjusted to arrive at the net profit by Geographic segment of the Group.

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17. COMMITMENTS AND CONTINGENCIES

Capital commitments

The Group's capital commitments contracted but not provided for in the interim condensed consolidated financial statement as at 30 June 2021 amounted to QR. 30.26 million (31 December 2020: QR. 67.57 million).

Commitment under lease within 12 months:

	30 June 2021 (Reviewed) QR.	31 December 2020 (Audited) QR.
Within one year	8,053,250	8,146,750
Total	8,053,250	8,146,750

Contingent liabilities

The Group had contingent liabilities in respect of letters of credit and letters of guarantee and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise. The details are as follows:

	30 June 2021 (Reviewed) QR.	31 December 2020 (Audited) QR.
Letters of guarantees	3,723,907	11,536,868
Letters of credits	913,582	1,543,330
	4,637,489	13,080,198

18. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements for the year ended 31 December 2020.

19. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consists of cash and cash equivalents, financial assets at fair value through other comprehensive income, amounts due from related parties and trade and other receivables. Financial liabilities consist of loans and borrowings and trade and other payables.

The fair values of financial instruments are not materially different from their carrying values.

Fair values

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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19. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

The tables above illustrate the classification of the Group's financial instruments based on the fair value hierarchy. This classification provides a reasonable basis to illustrate the nature and extent of risks associated with those financial instruments.

20. DISCONTINUED OPERATIONS

During 2020, the Board of Directors resolved to discontinue the operation of Al Meera Bookstore W.L.L., one of the subsidiaries of the Company.

The book values of assets and liabilities of the subsidiary at 30 June 2021 are as follows:

	30 June 2021
	QR.
ASSETS	
Bank balances and cash	203,429
Total assets	<u>203,429</u>
LIABILITIES AND EQUITY	
Due to related parties	96,347
Share capital	200,000
Accumulated losses	(92,918)
Total liabilities and equity	<u>203,429</u>

The results of the discontinued operation for the period ended 30 June 2021 are as follows:

	30 June 2021
	QR.
General and administrative expenses	(7,950)
Other income	170
Loss from discontinued operations	<u>(7,780)</u>

Due to insignificance of the above, the Group did not separately present Al Meera Bookstore W.L.L. as discontinued operations in the interim condensed consolidated financial statements.

21. IMPACT OF COVID-19

The outbreak of Novel Coronavirus continues to disrupt business operations and economic activity globally. The extent and duration of the impacts depend highly on future events that cannot be accurately predicted. As the situation is rapidly evolving, the impact on the Group's activities and operations is uncertain and accordingly management estimates in the measurement of amounts reported in these interim condensed consolidated financial statements remains sensitive to market fluctuations.

Impairment of non-financial assets

The Group has considered any impairment indicators and any significant uncertainties impacting its property and equipment (Note 5), right-of-use assets (Note 6), goodwill (Note 7) and intangible assets (Note 8) and concluded that there is no material impact of COVID-19.

Expected Credit Losses ("ECL") and impairment of financial assets

The uncertainties caused by COVID-19 have required the Group to reassess the inputs and assumptions used for the determination of expected credit losses ("ECLs") as at 30 June 2021. The Group has updated the relevant forward-looking information of its operations with respect to; significant increase in credit risk; and assessing the indicators of impairment for the exposures in potentially affected sectors. As a result, the Group has appropriately recorded a provision on impacted assets for the six-month period ended 30 June 2021.

Commitments and contingent liabilities

The Group has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the Group entities, customers and suppliers, to determine if there is any potential increase in contingent liabilities and commitments. As a result of the assessment, the Company concluded that there is no material impact on the Group's contingent liabilities and commitments. Refer to Note 17.

Going concern

The Group has performed an assessment of whether it is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Group's future performance, capital and liquidity. The impact of COVID-19 may continue to evolve, but at the present time the projections show that the Group has sufficient resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from 31 December 2020. As a result, these interim condensed consolidated financial statements have been appropriately prepared on a going concern basis.

The Group will continue to closely monitor the impact of COVID-19 as the situation progresses to manage the potential business disruption COVID-19 outbreak may have on its' operations and financial performance in 2021.