

**DEVELOPMENT WORKS FOOD COMPANY**  
A SAUDI JOINT STOCK COMPANY  
RIYADH - KINGDOM OF SAUDI ARABIA

CONSOLIDATED FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2024

**DEVELOPMENT WORKS FOOD COMPANY**

A SAUDI JOINT STOCK COMPANY

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2024

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## INDEPENDENT AUDITORS' REPORT

**To the Shareholders of Development Works Food Company**  
A Saudi Joint Stock Company

### Opinion

We have audited consolidated financial statements of Development Works Food Company ("the Company") and its subsidiaries (collectively "the Group") which comprise the consolidated statement of financial position as of December 31, 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code") that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with Code requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter

We draw attention to note number (31) of the accompanying notes to the consolidated financial statements, which refers to adjustments to the consolidated financial position balances as of December 31, 2023 and 2022, and the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2023. Our opinion has not been modified in this regard.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the matter
<b>Revenue Recognition</b>  The Group's net revenue amounted to SR 97,358,918.  The Group recognizes its sales revenue at a specific point in time in accordance with the requirements of International Financial Reporting Standard No. (15) "Revenue from Contracts with Customers".  We considered revenue a key audit matter due to the significant item in the consolidated financial statements and represents one of the key indicators that lead to inherent risks related to revenue recognition.  Refer to the material accounting policies for the revenue recognition policy included in note (4-23) and note (20) for further details related to revenue.	We performed the following audit procedures: 1. Obtained an understanding and evaluated the design and implementation of the Group's key internal controls related to revenue. 2. Evaluated the adequacy of the Group's revenue recognition policies and their compliance with International Financial Reporting Standard No. (15). 3. Reviewed a sample of daily and monthly sales reconciliations prepared by management at the branch level and their consistency with revenue records. 4. Reviewed a sample of daily cash deposits from each point of sale through bank statements and compared them with the sales recorded in the accounting records. 5. Reviewed a sample of contracts signed with corporate customers and issued invoices to verify their occurrence and the Group's right to recognize revenue therefrom. 6. Reviewed a sample of revenue discounts and verified that they were recorded in accordance with the Group's policies and procedures. 7. Implemented revenue cutoff procedures to ensure revenue was recorded in the correct financial period. 8. Conducted a detailed analytical review of revenue, including identifying and inquiring about any significant or unexpected trends or fluctuations. 9. Assessed the adequacy and appropriateness of the disclosures in the consolidated financial statements in accordance with the financial reporting framework.



## INDEPENDENT AUDITORS' REPORT (CONTINUED)

**To the Shareholders of Development Works Food Company**  
A Saudi Joint Stock Company

### Key Audit Matters (continued)

Key audit matters	How our audit addressed the matter
<p><b>Right-of-use assets and lease liabilities</b></p> <p>Right-of-use assets as of December 31, 2024 amounted to SR 24,002,658 and lease liabilities as of December 31, 2024, amounted to SR 21,528,787, SR 9,407,598 is due within one year.</p> <p>The measurement of right-of-use assets and lease liabilities was considered a key audit matter due to the complexity and significant judgment involved in determining the appropriate lease term, discount rates, contract modifications, and accounting for asset disposals. In addition to the large number of leases, with separate agreements entered into for each branch of the Group. This aspect requires significant management judgment, as it can have a significant impact on the consolidated financial statements. Refer to the significant accounting policies for the policy related to leases contained in Note (4-7) and Note (9) for further details related to right-of-use assets and lease liabilities.</p>	<p>We performed the following audit procedures:</p> <ol style="list-style-type: none"> <li>1. Tested the completeness of contracts considered as leases under International Financial Reporting Standard No. (16).</li> <li>2. Reviewed management's assessment of the discount rate used to discount lease liabilities, as determined by management, to ensure its appropriateness.</li> <li>3. Reviewed the accuracy of lease data inputs for a sample of lease contracts included in the calculation of lease liabilities and right-of-use assets.</li> <li>4. Recalculated the related interest and depreciation expenses for right-of-use assets and lease liabilities.</li> <li>5. Reviewed lease payments with appropriate supporting documentation.</li> <li>6. Reviewed management's judgments regarding the appropriateness of extensions or termination options.</li> <li>7. Assessed the adequacy and appropriateness of the disclosures in the consolidated financial statements in accordance with the financial reporting framework.</li> </ol>

### Other Matter

The consolidated financial statements of the Group for the year ended December 31, 2023, were audited by another auditors who expressed a modified opinion on those consolidated financial statements on 26 Shawwal 1445H corresponding to (5 May 2024).

The reason for the qualified opinion was matters related to right-of-use assets, lease liabilities, depreciation of leasehold improvements and sublease agreements.

### Other information

Other information consists of the information included in the Group's annual report, other than the consolidated financial statements and auditor's report thereon. Management is responsible for the other information in its annual report. The Group's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on our reading of Group's 2024 annual report as and made available to us, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders of Development Works Food Company  
A Saudi Joint Stock Company

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by Saudi Organization for Chartered and Professional Accountants and the provisions of Companies' Law and Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of Directors, are responsible for overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.





## INDEPENDENT AUDITORS' REPORT (CONTINUED)

**To the Shareholders of Development Works Food Company**  
A Saudi Joint Stock Company

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Alzoman, Alfahad & Alhajjaj Professional Services

Zaher Abdullah A Hajjaj  
Certified Public Accountant  
License No. (562)

Riyadh, Kingdom of Saudi Arabia

Date: 10 Thul-Qi'dah 1446H  
(Corresponding to: 8 May 2025)



**DEVELOPMENT WORKS FOOD COMPANY**  
A SAUDI JOINT STOCK COMPANY  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2024  
(ALL AMOUNTS IN SAUDI RIYALS)

	Note	December,31 2024	December,31 2023 (Restated note 31)	January 1, 2023 (Restated note 31)
<b>Assets</b>				
<b>Non-current assets</b>				
Property and equipment	6	24,714,120	28,522,753	31,474,141
Intangible assets	7	344,884	152,917	214,575
Capital works under construction	8	35,796	1,416,492	1,330,436
Right of use assets	9	24,002,658	36,028,779	30,831,979
<b>Total non-current assets</b>		<b>49,097,458</b>	<b>66,120,941</b>	<b>63,851,131</b>
<b>Current assets</b>				
Inventory	10	4,952,083	5,229,585	5,693,193
Prepaid expenses and other assets	11	6,917,534	6,768,533	10,600,041
Accounts receivable	12	5,221,561	6,797,502	5,869,945
Cash on hand and banks balances	13	4,252,746	2,720,230	2,726,125
<b>Total current assets</b>		<b>21,343,924</b>	<b>21,515,850</b>	<b>24,889,304</b>
<b>Total assets</b>		<b>70,441,382</b>	<b>87,636,791</b>	<b>88,740,435</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	1	30,000,000	30,000,000	30,000,000
Statutory reserve	14	853,858	723,931	723,931
Actuarial reserve		(334,742)	(382,353)	(423,141)
Accumulated losses		(8,248,823)	(9,418,168)	(4,249,757)
<b>Equity attributable to shareholders of the parent company</b>		<b>22,270,293</b>	<b>20,923,410</b>	<b>26,051,033</b>
Non-controlling interests		-	226,929	345,650
<b>Total equity</b>		<b>22,270,293</b>	<b>21,150,339</b>	<b>26,396,683</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Lease liabilities – non-current portion	9	12,121,189	21,710,485	19,571,332
Long-term loans and bonds – non-current portion	15	3,000,000	3,311,382	7,397,857
Defined employees' benefit plan liability	16	2,531,746	2,498,024	2,076,836
<b>Total non-current liabilities</b>		<b>17,652,935</b>	<b>27,519,891</b>	<b>29,046,025</b>
<b>Current liabilities</b>				
Lease liabilities – current portion	9	9,407,598	11,501,735	8,622,325
Long-term loans and bonds – current portion	15	6,761,381	8,586,475	11,138,669
Trade payable	17	9,160,852	12,244,692	6,538,008
Accrued expenses and other liabilities	18	4,732,856	6,381,177	6,716,421
Zakat provision	19	455,467	252,482	282,304
<b>Total current liabilities</b>		<b>30,518,154</b>	<b>38,966,561</b>	<b>33,297,727</b>
<b>Total liabilities</b>		<b>48,171,089</b>	<b>66,486,452</b>	<b>62,343,752</b>
<b>Total equity and liabilities</b>		<b>70,441,382</b>	<b>87,636,791</b>	<b>88,740,435</b>

Finance Manager  
FAYD REDA BEDIR ARAFA

Chief Executive Officer  
Hisham Abdulrahman Almogren

Chairman  
Sulaiman Mohammad Abdullah Alghumaiz

The accompanying notes from 1 to 33 form an integral part of these consolidated financial statements.

**DEVELOPMENT WORKS FOOD COMPANY**

A SAUDI JOINT STOCK COMPANY

CONSOLIDATED STATEMENT PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

(ALL AMOUNTS IN SAUDI RIYALS)

	Note	December 31, 2024	December 31, 2023 (Restated note 31)
<b>Continuing Operations</b>			
Revenue	20	97,358,918	89,114,130
Cost of Revenue	21	(90,945,984)	(86,444,470)
<b>Gross profit</b>		<b>6,412,934</b>	2,669,660
General and administrative expenses	22	(7,410,697)	(8,659,424)
Expected credit loss allowance	12	(385,869)	(648,341)
Other income	23	3,944,558	4,515,991
<b>Net profit (loss) from main operations</b>		<b>2,560,926</b>	(2,122,114)
Financing costs	24	(2,641,077)	(2,830,519)
<b>(Loss) for the year before zakat</b>		<b>(80,151)</b>	(4,952,633)
Zakat	19	(265,577)	(294,403)
<b>Net (loss) for the year</b>		<b>(345,728)</b>	(5,247,036)
<b>Discontinued operations</b>			
Results of the year from discontinued operations	25	1,645,000	112,322
<b>Net profit (loss) for the year</b>		<b>1,299,272</b>	(5,134,714)
<b>Allocated to:</b>			
Parent company		1,299,272	(5,168,411)
Non-controlling interests		-	33,697
		<b>1,299,272</b>	(5,134,714)
<b>Consolidated other comprehensive income / (loss)</b>			
Actuarial gains	16	47,611	39,653
<b>Total other comprehensive income / (loss)</b>		<b>1,346,883</b>	(5,095,061)
<b>Allocated to:</b>			
Parent company		1,346,883	(5,127,623)
Non-controlling interests		-	32,562
<b>Total other comprehensive loss</b>		<b>1,346,883</b>	(5,095,061)
<b>Basic and diluted (loss) / earnings per share</b>			
From continuing operations	26	(0.12)	(1.75)
From discontinued operations	26	0.55	0.04

Finance Manager  
FAYD REDA BEDIR ARAFA



Chief Executive Officer  
Hisham Abdulrahman Almogren



Chairman  
Sulaiman Mohammad Abdullah Alghumaiz



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**DEVELOPMENT WORKS FOOD COMPANY**

A SAUDI JOINT STOCK COMPANY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2024

(ALL AMOUNTS IN SAUDI RIYALS)

						Equity attributable to shareholders of the parent Company	Non-controlling interests	Total equity
	Note	Share capital	Statutory reserve	Actuarial reserve	Accumulated losses			
<b>Balance as of January 1, 2023 - As previously issued</b>		30,000,000	723,931	(423,141)	(1,023,365)	29,277,425	345,650	29,623,075
Restatement of the prior years	31	-	-	-	(3,226,392)	(3,226,392)	-	(3,226,392)
<b>Balance as of January 1, 2023 - restated</b>		30,000,000	723,931	(423,141)	(4,249,757)	26,051,033	345,650	26,396,683
Net (loss) / profit for the year		-	-	-	(5,168,411)	(5,168,411)	33,697	(5,134,714)
Other comprehensive income		-	-	40,788	-	40,788	(1,135)	39,653
<b>Total comprehensive income/ (loss) for the year</b>		-	-	40,788	(5,168,411)	(5,127,623)	32,562	(5,095,061)
Dividends for non-controlling interests	28	-	-	-	-	-	(151,283)	(151,283)
Balance as of December 31, 2023		<b>30,000,000</b>	<b>723,931</b>	<b>(382,353)</b>	<b>(9,418,168)</b>	<b>20,923,410</b>	<b>226,929</b>	<b>21,150,339</b>
Net profit for the year		-	-	-	<b>1,299,272</b>	<b>1,299,272</b>	-	<b>1,299,272</b>
Other comprehensive income/ (loss)		-	-	<b>47,611</b>	-	<b>47,611</b>	-	<b>47,611</b>
<b>Total comprehensive income for the year</b>		-	-	<b>47,611</b>	<b>1,299,272</b>	<b>1,346,883</b>	-	<b>1,346,883</b>
Dividends for non-controlling interests	28	-	-	-	-	-	(31,930)	<b>(31,930)</b>
Disposal of subsidiary	25	-	-	-	-	-	(194,999)	<b>(194,999)</b>
Transferred to statutory reserve		-	<b>129,927</b>	-	<b>(129,927)</b>	-	-	-
<b>Balance as of December 31, 2024</b>		<b>30,000,000</b>	<b>853,858</b>	<b>(334,742)</b>	<b>(8,248,823)</b>	<b>22,270,293</b>	-	<b>22,270,293</b>

Finance Manager  
FAYD REDA BEDIR ARAFA



Chief Executive Officer  
Hisham Abdulrahman Almogren



Chairman  
Sulaiman Mohammad Abdullah Alghumaiz



The accompanying notes from 1 to 33 form an integral part of these consolidated financial statements.

**DEVELOPMENT WORKS FOOD COMPANY**

A SAUDI JOINT STOCK COMPANY

**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED DECEMBER 31, 2024

(ALL AMOUNTS IN SAUDI RIYALS)

	Note	December 31, 2024	December 31, 2023 (Restated note 31)
<b>Cash flows from operating activities</b>			
Net loss for the year before zakat from continuing operations		(80,151)	(4,952,633)
Net profit for the year before Zakat from discontinued operations		1,645,000	90,127
		<u>1,564,849</u>	<u>(4,862,506)</u>
<b>Adjustments:</b>			
Depreciation of property and equipment	6	6,656,558	6,586,724
(Gains) losses from the sale of property and equipment	23	(5,978)	210,811
Amortization of intangible assets	7	93,141	77,376
Depreciation for right of use assets	9	12,163,037	12,046,018
(Gains) / losses on disposal of leases	23	(97,715)	125,867
Expected credit losses allowance	12	385,869	687,780
Impairment of Capital works under construction	8	201,403	-
Defined employees' benefit plan liability charged	16	727,776	727,329
Financing costs	24,25	2,649,027	2,851,158
		<u>24,337,967</u>	<u>18,450,557</u>
<b>Changes in:</b>			
Inventory		277,502	463,608
Prepaid expenses and other assets		(149,001)	3,831,508
Accounts receivable		1,229,511	(1,615,337)
Trade payable		(4,289,390)	3,303,191
Accrued expenses and other liabilities		(2,273,083)	(1,191,500)
<b>Cash from operations</b>		<u>19,133,506</u>	<u>23,242,027</u>
Defined employees' benefit plan liability paid	16	(531,363)	(348,892)
Zakat provision paid	19	(31,713)	(357,762)
<b>Net cash provided by operating activities</b>		<u>18,570,430</u>	<u>22,535,373</u>
<b>Cash flows from investment activities</b>			
Additions to property and equipment	6	(1,799,437)	(1,958,627)
Proceeds from the sale of property and equipment		7,044	212,214
Additions to intangible assets	7	-	(15,718)
Additions to capital works under construction	8	(511,693)	(2,185,790)
<b>Net cash used in investment activities</b>		<u>(2,304,086)</u>	<u>(3,947,921)</u>
<b>Cash flows from financing activities</b>			
Proceeds from loans and bonds	15	8,289,819	15,491,639
Repayments loans and bonds	15	(10,426,295)	(22,130,308)
Payment of leases liabilities	9	(12,565,422)	(11,803,395)
Payment of dividends to non-controlling interests	28	(31,930)	(151,283)
<b>Net cash used in financing activities</b>		<u>(14,733,828)</u>	<u>(18,593,347)</u>
<b>Net change in cash and cash equivalent</b>		<u>1,532,516</u>	<u>(5,895)</u>
Cash and cash equivalent at beginning of the year		2,720,230	2,726,125
<b>Cash and cash equivalent at ending of the year</b>	13	<u>4,252,746</u>	<u>2,720,230</u>

Finance Manager  
FAYD REDA BEDIR ARAFAChief Executive Officer  
Hisham Abdulrahman AlmogrenChairman  
Sulaiman Mohammad Abdullah Alghumaiz

The accompanying notes from 1 to 33 form an integral part of these consolidated financial statements.

**DEVELOPMENT WORKS FOOD COMPANY**

A SAUDI JOINT STOCK COMPANY

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

(ALL AMOUNTS IN SAUDI RIYALS)

	<u>Note</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u> (Restated note 31)
<b>Non-cash transactions:</b>			
Transfer from capital works under construction to property and equipment	6,8	<b>(1,405,878)</b>	2,099,734
Transferred from capital works under construction to intangible assets	7,8	<b>(285,108)</b>	-
Additions to leases contracts	9	<b>(2,619,826)</b>	(17,455,520)
Disposal of right of use assets	9	<b>2,489,941</b>	194,538
Transfer from lease liabilities to trade payables		<b>(1,205,550)</b>	(2,403,493)
Zakat Settlement	19	-	17,106
Remeasurement of defined employees' benefit plan liability	16	<b>(47,611)</b>	(39,653)
Proceeds from sales of subsidiary	25	<b>2,100,000</b>	-

Finance Manager  
FAYD REDA BEDIR ARAFA



Chief Executive Officer  
Hisham Abdulrahman Almogren



Chairman  
Sulaiman Mohammad Abdullah Alghumaiz





**DEVELOPMENT WORKS FOOD COMPANY**

A SAUDI JOINT STOCK COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

(ALL AMOUNTS IN SAUDI RIYALS)

**1. Organization and Activities**

**A-** Development Works Food Company ("the Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010290779 issued in Riyadh on 28 June 2010.

**B-** The Company's capital is SR 30,000,000 (2023: SR 30,000,000) with 3,000,000 shares of SR 10 each, all of which are cash ordinary shares.

**C-** The main activity of the Company is in restaurants with service, fast food activities, including (pizza shops), coffee shops, ice cream shops (ice cream), serving fresh juices and cold drinks.

**D-** The head office of the Parent Company is located in Riyadh, PO box 55800, P.C 11544, KSA.

**E-** These consolidated financial statements include the financial statements of the parent company and its subsidiaries which engaged in business activities, as outlined below:

Subsidiary Name	Country of Incorporation	Commercial Registration Number	Date of Commercial Registration	Ownership	
				2024	2023
Al Faddan Fruits and Vegetables Company*	Saudi Arabia	1010454082	July 17, 2018	-	70%
Development Works Contracting Company **	Saudi Arabia	1010947344	March 12, 2018	100%	100%
Suqur Al Jazeera Contracting Company **	Saudi Arabia	1010764194	December 10, 2021	-	60%
Daerat Al-Imtiaz For Restaurants Company	Saudi Arabia	1009089777	August 26, 2024	100%	-

The main activity of Al Faddan Fruits and Vegetables Company is the wholesale of fruits, wholesale of vegetables, wholesale of dates, retail of fresh and preserved fruits and vegetables, and retail of dates.

The main activity of the Development Works Contracting Company is general construction of residential buildings, general construction of non-residential buildings such as hospitals and hotels, construction of prefabricated buildings on sites, and renovations of residential and non-residential buildings.

The main activity of Suqur Al Jazeera Contracting Company is cleaning new buildings after construction, specialized cleaning of buildings including chimneys, windows, etc., cleaning and maintenance of swimming pools, disinfection and fumigation activities to exterminate insects and rodents, care and maintenance of parks and gardens for public housing purposes, care and maintenance of highway parks, service activities. Integrated administrative office, organizing and managing exhibitions and conferences, operating exhibition and conference centers and facilities.

The principal activity of Daera Al-Imtiaz For Restaurants Company is restaurant and mobile food services.

\* During the year ending December 31, 2024, the Group sold Al Faddan Fruits and Vegetables Company. Note (25) explains the impact of the disposal during the year.

\*\* Development Works Contracting Company, Suqur Al Jazeera Contracting Company, and Daera Al-Imtiaz For Restaurants Company have not engaged in any commercial activities since their inception until the date of preparing these consolidated financial statements. On March 5, 2023, the partners in Suqur Al Jazeera Contracting Company approved the liquidation of the Company. The legal procedures related to this matter have not been completed to date.

The Company and its subsidiaries fiscal year begins on January 1 and ends on December 31 of each calendar year.

## **DEVELOPMENT WORKS FOOD COMPANY**

A SAUDI JOINT STOCK COMPANY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

(ALL AMOUNTS IN SAUDI RIYALS)

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## **2. Basis of preparing consolidated financial statements**

### **Statement of Compliance**

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards endorsed in Kingdom of Saudi Arabia and other standards and pronouncements supplementary to the International Standards endorsed by the Saudi Organization for Chartered and Professional Accountants.

### **Basis of measurement**

The consolidated financial statements have been prepared according to historical cost principle, going concern basis and the accrual basis of accounting. Other basis will be used if International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements supplementary to the International Standards endorsed by the Saudi Organization for Chartered and Professional Accountants require that, as stated in the summary of significant accounting policies (note 4).

### **Functional and presentation currency**

These consolidated financial statements are presented in Saudi Riyals which is the functional currency of the Group and are rounded to nearest Saudi Riyal.

## **3. Basis of consolidation**

The consolidated financial statements include the Development Works Food Company and its subsidiaries ("the Group") as detailed in Note No. 1. Control is achieved when the Group is exposed to, or has rights to, returns from its involvement with the investee (subsidiary) and has the ability to affect those returns through its power over the investee (subsidiary). The Group is deemed to control an investee (subsidiary) when the Group has:

- The ability to control the investee entity,
- The Group's right to variable returns arises as a result of its association with the investee,
- The ability to use its control to affect investment returns.

The Group reassesses whether or not it controls any investee, and whether facts and circumstances indicate that there have been changes to one or more of the elements of control referred to above. The consolidation process of a subsidiary begins when the Group gains control over the subsidiary and ceases when the Group loses control of the subsidiary. The assets, liabilities, revenues, and expenses of a subsidiary acquired or disposed of during the period are included in the financial statements from the date the Group gains control of the subsidiary until the date the Group ceases to control the subsidiary.

When the Group's voting rights in any investee are less than a majority of the voting rights therein, the Group has control over that investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee individually. The Group considers all relevant facts and circumstances when assessing whether the Group has voting rights in an investee to give it control. These facts and circumstances include:

- The size of the voting rights owned by the holding company in relation to the size and extent of ownership of other voting rights holders.
- Potential voting rights held by the Group, other voting rights holders and third parties.
- Rights arising from other contractual arrangements, and
- Any additional facts and circumstances that may indicate that the Group has, or does not have, the current ability to direct relevant activities when decisions need to be made, including how to vote at previous shareholders' meetings.

Changes in the Group's equity in existing subsidiaries

Changes in the Group's ownership in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's ownership and non-controlling interests are adjusted to reflect changes in their ownership in subsidiaries. Any difference between the value of the adjustment of non-controlling interest and the fair value of the consideration paid or received is recognized directly in equity and is attributable to the shareholders of the Company.

## DEVELOPMENT WORKS FOOD COMPANY

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### 3. Consolidation basis (continued)

When the Group loses control of a subsidiary, any gain or loss is recognized in the consolidated statement of profit or loss and other comprehensive income and is calculated as the difference between (1) The total fair value of the consideration received/receivable and (2) The carrying amount of the assets (including Goodwill), the liabilities of the subsidiary and any non-controlling interests.

#### Non-controlling interests

Non-controlling interests in the net assets of a subsidiary are recognized separately from the Group's interest in those net assets. Non-controlling interests consist of the amounts of those interests recognized at the date of the primary business combination plus their share of changes in equity in the subsidiary that occur after the acquisition date.

### 4. Material Accounting Policies

The Group has applied the following accounting policies consistently to all years presented in these consolidated financial statements, unless otherwise stated.

#### 4-1 New Standards, Amendments to Standards, and Interpretations

The following are new standards, amendments, and updates to existing standards issued by the International Accounting Standards Board (IASB) that became effective as of January, 1 2024 and have been adopted by the Group, as appropriate:

##### A- New standards and amendments to standards and interpretations

Standards\Amendments	Description
Amendments to IAS1	Classification of liabilities as current or non-current Non-current liabilities with commitments
Amendments to IFRS16	Leasehold obligation in sale and leaseback
Amendments to IAS7 and IFRS7	Supplier Financing Agreements

The application of the amended standards and interpretations applicable to the Group did not have any material impact on these consolidated financial statements.

##### B- Issued standards but not yet been applied

Standards\Amendments	Description	Effective for periods beginning on or after the following date:
Amendments to IAS21	Inability to exchange	January 1, 2025
IFRS18- Presentation and Disclosure in Financial Statements	The main new concepts introduced relate to: Structure of profit or loss statement. Disclosures required for certain profit or loss performance measures. Strengthening principles on aggregation and fragmentation	January 1, 2026
Amendments to IFRS10 and IAS28	Sale or contribution of assets between an investor and its associate or joint venture	Available for optional adoption. Effective date postponed indefinitely.

The Development Works Contracting Company has not early adopted any new accounting standards, interpretations or amendments that have been issued, but are not yet effective.



#### **4. Material Accounting policies (continued)**

##### **4-2 Current versus non-current classification**

The Group presents its assets and liabilities in the statement of consolidated financial position based on a current / non-current basis. The assets are considered as a current when its:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for purpose of trading.
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalents, unless restricted from paying exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

All liabilities are considered as a current, when its:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

##### **4-3 Property and equipment**

Property and equipment are stated at cost less any accumulated depreciation and accumulated impairment losses. Land is not depreciated. Cost includes all expenditures directly incurred in bringing property and equipment to their present location and condition and bringing them ready for their intended use. The Group periodically reviews and reassesses the estimated future useful life and residual value and may change or adjust the useful life and depreciation rates accordingly. Repairs and maintenance are expensed, while improvements are capitalized. Depreciation is calculated over the estimated useful life using the straight-line method.

Annual review of salvage values and useful lives

An asset's salvage value is the current estimated amount that the Group would receive when disposing of the asset after deducting the estimated costs of disposal if the asset had already reached the expected age and condition at the end of its useful life. The salvage values and useful lives of assets are reviewed and adjusted, where necessary, at the end of each financial reporting year. If forecasts differ from previous estimates, the change is accounted for as a change in accounting estimates.

The estimated practical depreciation rates for this property and equipment are as follows:

<b>Description</b>	<b>Depreciation rate</b>
Leasehold improvement	10% or the lease period, which is lower
Buildings	10%
Furniture and fixtures	10%
Machinery and equipment	15% – 25%
Vehicles	12.5% – 20%
Computers	20% – 25%

If there is an indication of a significant change in the depreciation rate, useful life or residual value of property and equipment, the impairment of such property and equipment is adjusted prospectively to reflect the new expectations. Upon sale, the difference between the net sale proceeds and the carrying value of the item sold is recognized in other revenue in the consolidated statement of profit or loss and other comprehensive income.

#### **4. Material Accounting policies (continued)**

##### **4-4 Impairment of non-current assets**

At the date of each report, the group conducts an assessment to ensure the existence of evidence indicating the impairment of an asset. If such evidence exists, or when it is necessary to perform an annual test to verify the existence of impairment, the group estimates the recoverable amount of the assets, which represents the higher of the fair value of the assets or cash-generating unit less selling costs and the present value. This estimation is made for individual assets unless the assets generate cash inflows that are largely independent of other assets or groups of assets. If the carrying amount of the assets or cash-generating unit exceeds its recoverable amount, the assets or cash-generating unit are considered impaired and are written down to their recoverable amount.

When estimating the present value, the estimated future cash flows are discounted to the present value using a post-zakat discount rate that reflects current market estimates of the time value of money and the risks inherent in the assets. Impairment losses for continuing operations, including impairment of working capital, if applicable, are recognized in the consolidated statement of profit or loss and other comprehensive income within expenses in line with the function of the impaired assets.

Regarding assets other than goodwill, at the date of preparing each consolidated financial statement, an evaluation is performed to ensure that there is evidence that previously recognized impairment losses no longer exist or have decreased. If such evidence exists, the Group estimates the recoverable amount of the asset or cash-generating unit. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used in determining the recoverable amount since the date the impairment loss was last recognized. This reversal is recognized in the consolidated statement of profit or loss and other comprehensive income.

In case that the non-financial assets impairment loss is reversed except for goodwill, the carrying amount of the assets (or a group of related assets) is increased to the adjusted estimate of the recoverable amount, but not more than the amount that would have been determined had no impairment loss been recorded for the assets (or a group of related assets) in prior years, a reversal of an impairment loss is recognized immediately in the statement of profit or loss and other comprehensive income.

##### **4-5 Intangible assets**

Intangible assets acquired separately are recognized at cost. After initial recognition, intangible assets are stated at cost less any accumulated amortization and any accumulated impairment losses, if any. Internally generated intangible assets, excluding development costs, are not capitalized, and expenses are recognized in the consolidated statement of profit or loss and other comprehensive income when incurred. The amortization period and method for intangible assets with finite useful lives are reviewed at the end of each financial year. Changes in the expected useful life or the expected method of amortizing future economic benefits embodied in intangible assets are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Amortization expense for intangible assets with finite useful lives is recognized in the consolidated statement of profit or loss and other comprehensive income as part of the expense category that is consistent with the function of the intangible asset. Intangible assets with finite useful lives (computer software) are amortized using the straight-line method over the estimated useful life of 5 years.

##### **4-6 Capital works under construction**

Capital works under construction is stated at cost according to the initial measurement. Cost includes all directly attributable expenditure necessary to bring the asset to the working condition for which it is acquired and for the purpose for which it was acquired. Capital work under construction is transferred to property and equipment when it is completed and available for the purpose for which it was acquired.

#### **4. Material Accounting policies (continued)**

##### **4-7 Right of use assets and leases liabilities**

The Group has recognized assets and liabilities for its leases (sales branch leases). Each lease payment is distributed between liabilities and finance cost. The financing cost is charged to the consolidated statement of profit or loss and other comprehensive income over the lease term so that a fixed periodic interest rate is achieved on the remaining balance of the liability for each year. The right of use the asset is depreciated over the lease term, on a straight-line basis.

The assets and liabilities arising from the lease are initially measured on a present value basis.

**Right of use assets**, is initially recognized:

- The initial measurement amount of the lease liability that is the present value of future lease payments;
- Any lease payments made on or before the starting date of the lease contract minus any lease incentives received;
- Any initial direct costs incurred by the Group as a lessee;
- An estimate of the costs that the Group will incur as a lessee to dismantle and remove the assets and return the site where the asset is located to the original state.

The right-of-use asset is subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any re-measurement of the lease liability.

The Group depreciates the right-of-use asset over the estimated term of the lease on a straight-line basis.

**The lease liabilities** are recognized initially at the present value of the unpaid lease payments at the inception date of the lease, using the Group's incremental borrowing rate.

**The lease liabilities are subsequently measured as follows:**

- Increasing the carrying amount to reflect the interest on the lease liability;
- Reducing the carrying amount to reflect rental payments;
- Re-measure the carrying amount to reflect any revaluation or amendments to the lease agreement.

The Group separates the amounts paid into the original portion (presented within financing activities) and interest (presented within operating activities) in the statement of cash flows.

In accordance with International Financial Reporting Standard No. (16), "right-to-use assets" are tested for impairment in accordance with International Accounting Standard No. 36 "Impairment of Assets".

##### **Lease term**

The Group defines the lease term as the irrevocable period in the lease agreement along with:

- The periods covered by the option to extend the lease contract if the Group is reasonably certain that it will exercise that option;
- The periods covered by the option to terminate the lease agreement if the Group is reasonably certain that it will not exercise this option.

With regard to short-term leases (lease term of 12 months or less) and low-value contracts, the Group recognized the rental expense on a straight-line basis as permitted in IFRS 16, which is the same method that was accounted for in accordance with the Accounting Standard International No. (17) "Lease Contracts".

##### **4-8 Inventory**

Inventories are stated at the lower of cost or net realizable value. Costs represent the expenses incurred in bringing the product to the existing location in its present condition and are determined on a weighted average basis. Net realizable value is based on the estimated selling price in the ordinary course of business less any additional costs expected to be incurred on completion or sale. A provision is made for obsolete and slow-moving items and is charged to the consolidated statement of profit or loss and other comprehensive income as part of general and administrative expenses.



#### **4. Material Accounting policies (continued)**

##### **4-9 Related Parties**

A related party is a person or entity related to the group. A person is considered related if he has control or significant influence over the group or is a member of senior management. An entity is considered related if the entity is a member of the same group as a parent company, subsidiary, an associate company or associated with a joint venture, or both entities are a joint venture of a third party.

A related party transaction is a transfer of resources, services or obligations between the Group and a related party regardless of whether a price has been charged. The key management personnel are the persons authorized and responsible for planning and management and have direct or indirect control over the main business of the group, including the manager.

##### **4-10 Financial instruments**

The Group recognizes a financial asset or a financial liability in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument.

At initial recognition, the Group measures the financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

###### **Financial Assets**

IFRS 9 requires all financial assets to be classified and subsequently measured either at amortized cost or at fair value. The classification depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, which are determined at the time of initial recognition. Financial assets are classified into the following categories under IFRS 9:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (with recycling to profit or loss).
- Equity instruments at fair value through other comprehensive income (without recycling to profit or loss)
- At fair value through profit or loss

###### **(a) Financial assets at amortized cost**

Subsequent measurement of debt instruments at amortized cost, net of impairment losses, is applied if both of the following conditions are met (except for those instruments designated at fair value through profit or loss upon initial recognition):

1. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
2. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If a financial asset does not meet both of these conditions, it is measured at fair value.

The Group performs a business model assessment at the portfolio level, as this best reflects the way the business is managed and information is provided to management.

When assessing whether a financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows, the Group considers:

- The Group's stated policies and objectives for the portfolio and the operation of those policies in practice;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, how those risks are managed;
- How the performance of the portfolio is evaluated by the Group's management;
- Whether the management's strategy focuses on earning contractual interest income;
- The frequency, timing, and reasons for asset sales; and
- Whether the assets sold are held for an extended period relative to their contractual maturity or are sold shortly after acquisition or long before maturity.

#### **4. Material Accounting policies (continued)**

##### **4-10 Financial instruments(continued)**

When assessing whether contractual cash flows are solely payments of principal and interest, the Group examines the contractual terms of the instrument. This includes evaluating whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows in such a way that it would not meet this condition.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and is recognized in profit or loss.

Debt instruments measured at amortized cost are subject to impairment testing.

##### **Impairment of Financial Assets**

The Group recognizes a loss allowance for expected credit losses (ECL) on debt instruments measured at amortized cost or at fair value through other comprehensive income (such as lease receivables, trade receivables, loan commitments, and financial guarantee contracts).

No impairment losses are recognized for investments in equity instruments.

The amount of expected credit losses reflects changes in credit risk since initial recognition of the financial instrument.

The Group applies the simplified approach to measuring impairment for trade receivables, using lifetime expected credit losses based on estimated future cash flows. Expected credit losses on financial assets are estimated using a provision matrix based on historical credit loss experience, adjusted for debtor-specific factors, general economic conditions, and an assessment of current and forecast conditions as at the reporting date, including the time value of money when appropriate.

For all other financial instruments, the Group applies the general approach for measuring expected credit losses. Lifetime expected credit losses are recognized when there has been a significant increase in credit

risk since initial recognition. Otherwise, a 12-month expected credit loss is recognized.

Determining whether credit risk has significantly increased requires an assessment of changes in the risk of default over the expected life of the financial instrument.

##### **Measurement and Estimation of Expected Credit Losses**

The measurement of expected credit losses is a function of the probability of default (PD), loss given default (LGD), and exposure at default (EAD). The assessment of PD is based on historical data adjusted by forward-looking information as described above.

For financial assets, the default is represented by the gross carrying amount of the asset at the reporting date. For off-balance sheet exposures, the EAD is determined by applying a credit conversion factor to the undrawn portion of the exposure.

When measuring lifetime expected credit losses in cases where significant increases in credit risk may not be evident at the individual instrument level, financial instruments are grouped based on:

- The nature of the financial instruments (i.e., trade receivables, other receivables, finance lease receivables, and amounts due from customers as separate groups. For related party loans, expected credit losses are assessed individually);
- Historical default patterns;
- The nature and size of the debtors' industry sectors; and
- External credit ratings, where available.

The Group recognizes impairment gains or losses in the consolidated statement of profit or loss for all financial instruments, with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments measured at fair value through other comprehensive income. For these, the loss allowance is recognized in the consolidated statement of profit or loss and other comprehensive income, within an impairment reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

#### **4. Material Accounting policies (continued)**

##### **4-10 Financial instruments(continued)**

###### **Derecognition of Financial Assets**

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset along with all risks and rewards of ownership to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and retains control of the transferred asset, the Group continues to recognize the portion it retains and the associated liabilities to the extent of its continuing involvement.

If the Group retains all risks and rewards of ownership of the transferred asset, the Group continues to recognize the financial asset and also recognizes a secured borrowing for the proceeds received.

###### **Financial liabilities**

Financial liabilities are classified and measured at amortized cost using the effective interest method.

For financial liabilities designated at fair value through profit or loss, the amount of the change in fair value attributable to changes in the liability's credit risk is recognized in other comprehensive income unless doing so would create or enlarge an accounting mismatch in profit or loss.

Changes in fair value attributable to credit risk are not subsequently reclassified to profit or loss.

The credit risk reserve for liabilities includes the cumulative changes in fair value attributable to changes in the credit risk of those liabilities that do not result in or widen an accounting mismatch in profit or loss.

Amounts recognized in the credit reserve for such liabilities are not reclassified to profit or loss upon derecognition, but are instead transferred to retained earnings.

###### **Derecognition of Financial liabilities**

The Group derecognizes financial liabilities only when the obligations are discharged, cancelled, or have expired.

##### **4-11 Accounts receivables**

Accounts receivable are stated at the original invoice amount, less expected credit losses. Expected credit losses is established when there is objective evidence that the Group is unable to collect the amounts due according to the original terms of the receivables. When identified, bad debts are written off against the related provisions, and the provisions are charged to the consolidated statement of profit or loss and other comprehensive income, and any subsequent recoveries of amounts of receivables that were previously written off are added to other income.

##### **4-12 Cash and cash equivalent**

Cash and cash equivalent includes cash on hand and bank current account balances that are not subject to a significant risk of changes in value.

##### **4-13 Loans**

Loans are initially recorded at fair value (represented by the proceeds received) less transaction costs incurred, if any. After initial recognition, these long-term loans are recognized at amortized cost using the effective interest rate method. Any differences between the proceeds (net of transaction costs) and the recoverable amount are recognized as a gain or loss over the life of the loan using the effective interest rate method.

Loans are classified as current liabilities as long as the Group does not have a right to delay settlement of the liability for a period of at least 12 months after the reporting date.

##### **4-14 Borrowing cost**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset under the terms of borrowing cost capitalization are capitalized as part of the cost of that asset. Qualifying assets are those that necessarily require a significant period of time to become ready for use. Other borrowing costs are recognized as an expense in the consolidated statement of profit or loss and other comprehensive income in the period in which it is incurred.

#### **4. Material Accounting policies (continued)**

##### **4-15 Employee Benefits**

- Defined employee benefit plan liability

Defined employee benefit plan liability are determined using the projected unit cost method with an actuarial evaluation performed at the end of each annual fiscal year, and remeasurements that include actuarial gains and losses are included in the consolidated statement of financial position with a credit or deduction in the consolidated statement of other comprehensive income for the period in which they were incurred. Therein, the recognized re-measurement is included in the consolidated statement of other comprehensive income immediately and is not reinstated in the consolidated statement of profit or loss.

- Retirement benefits

The Group pays retirement contributions for its Saudi Arabian employees to the General Organization for Social Insurance. This represents a defined contribution plan. The payments made are expensed as incurred.

- Short-term employees' benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

##### **4-16 Provisions**

Provisions must be recognized when the Group has a present obligation (legal or implicit) as a result of a past event, and it is probable that it will require an outflow of resources with economic benefits to settle this obligation, and that an estimate of the amount of the obligation can be made in a reliable manner. When a recovery is expected (by a third party) for some or all of the expenditure required to settle a provision (through an insurance contract for example), the recovered amount is recognized only when it is certain that the recovered amount will be received if the entity settles the obligation, and this recovered amount is recognized as a separate asset. The expense relating to the provision is presented in the consolidated statement of profit or loss and other comprehensive income, net of the amount recovered.

##### **4-17 Contingent liabilities**

Contingent liabilities arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not entirely within the control of the Group, or all present liabilities arising from past events but not confirmed for the following reasons:

- There is no possibility that an outflow of resources embodied in the economic benefits will be required to settle the obligation, or
- It is not possible to measure the amount of the obligation with sufficient reliability; They must all be evaluated at the date of each consolidated statement of financial position and disclosed in the Group's consolidated financial statements as potential liabilities.

##### **4-18 Accounts payables and accruals**

Liabilities are recognized against amounts to be paid in the future for the goods or services received, whether or not they are provided with invoices by suppliers.

##### **4-19 Zakat provision**

- Zakat provision is recognized at the end of each financial year in accordance with the regulations of the Zakat, Tax and Customs Authority of the Kingdom of Saudi Arabia ("the Authority").
- Zakat provision is calculated for the parent company and subsidiaries and filed separately. Zakat provision is charged at the end of each fiscal year within the statement of profit or loss for each company separately.
- Zakat liabilities, if any, relating to Zakat for previous years are recognized by the Authority in the period in which the final Zakat is issued.

#### **4. Material Accounting policies (continued)**

##### **4-20 Withholding tax**

The Group withholds tax on transactions with non-resident parties in Saudi Arabia and on dividends paid to non-resident shareholders in accordance with the regulations of the Zakat, Tax and Customs Authority in Saudi Arabia.

##### **4-21 Value added tax**

Expenses and assets are recognized net of value added tax, with the exception of:

- When the VAT incurred on the purchase of assets or services is not recoverable from the tax authority, in which case the VAT is recognized as part of the cost of acquiring the asset or as part of the expense item, as the case may be.
- When listing debit and credit accounts with the amount of VAT. The net amount of VAT recoverable from or payable to the tax authority is included as part of the debit or credit accounts in the consolidated statement of financial position.

##### **4-22 Dividends payable to shareholders**

Dividend distributions to the Company's shareholders are recorded as a liability when these dividends are approved. In accordance with the Companies Law in the Kingdom of Saudi Arabia, distributions are approved upon approval by the shareholders or authorization from the shareholders to the Board of Directors to distribute interim dividends to the company's shareholders on a semi-annual or quarterly basis pursuant to a decision of the Ordinary General Assembly and renewed annually, in proportion to the company's financial position. and its cash flows, and the corresponding amount is deducted directly from equity.

##### **4-23 Revenue from contracts with customers**

The Group generates its revenues mainly from sales of vegetables, fruits, foods and beverages directly to customers. Revenue represents the fair value of the consideration received or receivable for products sold, net of returns, trade discounts and rebates.

The Group recognizes revenue under IFRS 15 using the following five-step model:

- 1 - Defining the contract with the customer: The contract is defined as an agreement between two or more parties that creates enforceable rights or obligations and specifies the standards that must be met.
- 2 - Specifying performance obligations in the contract: A performance obligation is a promise with a customer to transfer a good or provide a service.
- 3 - Determining the transaction price: The deal price is the amount of consideration that the group expects to achieve in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties.
- 4 - Allocating the transaction price to the performance obligations in the contract: For a contract that contains more than one performance obligation, the group allocates the transaction price to each performance obligation in an amount that determines the amount of consideration given by the group. It determines the amount of consideration that the group expects to receive in exchange for fulfilling each. commitment.
- 5 - Revenue is recognized when (or as soon as) the Group satisfies the performance obligation.

Recognizing revenues from sales of vegetables, fruits, foods and beverages

Revenue from contracts with customers consists of revenue from sales of vegetables, fruits, food and beverages. Revenues are derived from the local market. Revenue is recognized when control of the products sold is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. Revenue is recognized at the point in time at which control of the asset is transferred to the customer, generally upon delivery of the products. For sales of vegetables, fruits, food and beverages, the period between receiving payment from customers and transferring control of the goods to customers is usually not large. The group is an principal party.

Sales discounts

Goods are often sold through mobile applications and various stores. Sales discounts represent various discounts and promotions offered to the final consumer on the sale of goods. Revenues from these sales are recognized based on the price specified in the invoice after deducting any discounts. The consideration received from the customer is net of the discount provided to the customer.

Volume discounts in sales

Volume discounts in sales are primarily shown as a discount from total sales.



#### **4. Material Accounting policies (continued)**

##### **4-24 Other revenue**

Other income is recognized when earned.

##### **4-25 Cost of sales**

All expenses are recorded on an accrual basis, and operational costs are recorded on the historical cost basis. Costs related to sales are classified as cost of sales, and this includes raw materials, direct labor and other related indirect costs. Other remaining costs are recorded as general and administrative expenses.

##### **4-26 General and administration expense**

General and administrative expenses consist of direct and indirect costs not related to cost of sales. On a consistent basis, expenses are distributed general and administrative expenses and cost of sales - whenever necessary. These expenses mainly include employee costs, other employee benefits, bonuses, allowances, maintenance fees, rental expenses, insurance, professional fees and others.

##### **4-27 Earnings per share**

Basic Profit per share are calculated by dividing the net loss for the year by the weighted average number of shares outstanding at the end of the year.

##### **4-28 Segment information**

###### **Operating segment**

An operating segment is a component of the Group that carries out activities from which it may generate revenues and incur expenses, including revenues and expenses related to transactions with any of the Group's other segments. All segment results are evaluated periodically by the operating decision maker to make decisions and evaluate the performance of the resources allocated to each segment and the available financial information separately.

Segment results that are reported to the operating decision maker include those directly attributable to the segment as well as those that can be allocated on an appropriate basis. Head office expenses, research and development costs, related assets/liabilities, and zakat assets and liabilities.

###### **Geographical sector**

A geographical sector is a group of assets, operations or facilities that engage in profitable activities in a particular economic environment that are subject to risks and returns different from those operating in other economic environments.

All revenues from the group's activities are made within the Kingdom of Saudi Arabia.

##### **4-29 Offsetting**

Offsetting occurs between financial assets and liabilities and is recorded as net amount in the consolidated statement of financial position when there is a legally binding right to apply the offsetting process between these amounts, and the Group intends to settle on the basis of the net of these amounts or to recognize the assets and settle the liabilities simultaneously.

##### **4-30 Foreign currency transactions**

Transactions in foreign currencies are carried out into Saudi Riyals at the exchange rates prevailing at the time of the transaction. Monetary assets and liabilities in foreign currencies as at the date of the consolidated statement of financial position are converted into Saudi riyals at the rates prevailing at the end of the year. Gains and losses arising from repayments or foreign currency exchange are included in the consolidated statement of profit or loss and other comprehensive income.

## **5. Use of assumptions, estimates and judgments**

The preparation of the consolidated financial statements in accordance with the International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements supplementary to the International Standards endorsed by the Saudi Organization for Chartered and Professional Accountants requires the management to use assumptions and estimates that affect the recorded amounts of revenues, costs, assets, liabilities and disclosures about contingent liabilities at the date of the financial period. However, uncertainty about these assumptions and estimates may result in results that may require a material adjustment to the carrying amount of the assets and liabilities affected in the future.

Estimates and related assumptions are reviewed on an ongoing basis, and revisions to estimates are recognized prospectively.

### **Uncertain Assumptions and estimates**

#### **5-1 Going Concern**

The Group's current liabilities exceeded its current assets by SAR 9,174,230 (2023: SAR 17,450,711).

Management has prepared a business plan for the coming years and is confident that the Group will generate increased profits, positive operating cash flows, and have access to sufficient financial resources to continue its operations in the foreseeable future.

Accordingly, management has no material uncertainty regarding the Group's ability to continue as a going concern. Therefore, the consolidated financial statements have been prepared on a going concern basis.

#### **5-2 Impairment of non-financial assets**

The Group's management periodically reviews the book value of non-financial assets to determine whether there is any indication that such assets may be subject to any impairment loss. If there is any indicator, the recoverable amount of assets is estimated to determine the extent of impairment loss. When it is not possible to estimate the recoverable amount of assets individually, the Group estimates the recoverable amount of the cash generating unit to which the assets belong. If the amount of recoverable assets is estimated to be below its book value, the book value of the asset is decrease to its recoverable value, and the impairment loss is recognized in the consolidated statement of profit or loss and other comprehensive income.

#### **5-3 Discounting of lease payments**

The Group cannot easily determine the interest rate implicit in the lease and, therefore, it uses an incremental borrowing rate to measure its lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow the necessary financing over a similar term and with the same collateral to obtain an asset of the same value as a "right-of-use" asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Group "has to pay" which requires estimation when observable rates are not available or need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available, which requires making some of its estimates.

#### **5-4 Extension and termination options of lease contracts**

Extension and termination options are included in several leases. These terms are used to increase operational flexibility in terms of contract management. Most of the extension and termination options held are exercisable by both the Group and the lessor.

When determining the term of a lease, management considers all facts and circumstances that create an economic incentive to exercise the extension option, or not exercise the termination option. Extension options (or periods following termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The appraisal is reviewed if a significant event or significant change in circumstances occurs that affects this appraisal and is within the tenant's control.

#### **5-5 Contingencies**

By their nature, contingent commitments will only be settled upon the occurrence or non-occurrence of a future event or events. Evaluating such potential engagements intrinsically involves exercising significant judgment and estimates of future events.

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**5. Use of assumptions, estimates and judgments (continued)****Uncertain Assumptions and estimates (continued)****5-6 Receivables' expected credit losses (ECL)**

For Expected Credit losses (ECLs) on receivables measured at amortized cost, the Group applies the simplified approach, which requires ECLs to be recorded on a lifetime basis from the date of initial recognition of the receivables. To measure expected credit losses, receivables are grouped based on common credit risk characteristics, number of days past due, and customer type. Expected loss rates have been derived from the Group's historical information and have been adjusted to reflect the expected future outcome, which also includes forward-looking information on macroeconomic factors such as inflation and GDP growth rate.

**5-7 Employee benefits**

The costs of employees' end-of-service plans and the present value of the end-of-service benefit liabilities are determined using actuarial valuations. Actuarial valuations include assumptions that may differ from actual developments in the future. It includes determining the discount rate, future salary increases, mortality rate and future increases in pensions. Given the complexities involved in the valuation and its long-term nature, the defined benefit liability is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date on the consolidated financial statements.

**5-8 Zakat**

Management has assessed the Zakat position in light of the regulations issued by the Zakat, Tax and Customs Authority, as well as the circulars issued periodically.

The interpretation of these circulars and regulations is often unclear and requires the Zakat, Tax and Customs Authority to finalize the assessments.

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**6. Property and equipment**

<b>2024</b>	<b>Note</b>	<b>Building</b>	<b>Leasehold improvements</b>	<b>Furniture and fixtures</b>	<b>Machinery and equipment</b>	<b>Vehicles</b>	<b>Computers</b>	<b>Total</b>
<b>Cost</b>								
Balance, beginning of the year		11,917,929	5,770,763	36,810,993	13,526,670	4,564,968	1,518,890	74,110,213
Additions during the year		-	297,609	1,285,310	173,723	-	42,795	1,799,437
Transferred from capital work under construction	8	1,046,423	-	339,380	16,738	-	3,337	1,405,878
Disposal of subsidiary		-	(91,000)	(9,768)	(1,035,879)	(753,671)	(18,714)	(1,909,032)
Disposal during the year		-	-	(51,758)	-	-	-	(51,758)
<b>Balance, ending of the year</b>		<b>12,964,352</b>	<b>5,977,372</b>	<b>38,374,157</b>	<b>12,681,252</b>	<b>3,811,297</b>	<b>1,546,308</b>	<b>75,354,738</b>
<b>Accumulated depreciation</b>								
Balance, beginning of the year		6,870,242	3,702,175	22,258,227	8,556,932	2,989,906	1,209,978	45,587,460
Charge for the year		852,364	952,268	2,988,112	1,206,636	515,112	142,066	6,656,558
Disposal of subsidiary		-	(48,000)	(5,433)	(1,035,877)	(445,611)	(17,787)	(1,552,708)
Disposal during the year		-	-	(50,692)	-	-	-	(50,692)
<b>Balance, ending of the year</b>		<b>7,722,606</b>	<b>4,606,443</b>	<b>25,190,214</b>	<b>8,727,691</b>	<b>3,059,407</b>	<b>1,334,257</b>	<b>50,640,618</b>
<b>Net book value</b>		<b>5,241,746</b>	<b>1,370,929</b>	<b>13,183,943</b>	<b>3,953,561</b>	<b>751,890</b>	<b>212,051</b>	<b>24,714,120</b>

**A-** The cost of fully depreciated property and equipment still in use amounted to SR 8,954,142 as of December 31, 2024 (2023: SR 6,469,033).

**B-** The leasehold improvements, amounting to SR 5,977,372 as of December 31, 2024. (2023: SR 5,770,763) were made on branches & warehouses rented under lease contracts (Note 9).

**C-** The vehicles item includes leased vehicles with a cost of SR 554,871 as of December 31, 2023 (2022: SR 554,871). The lease liabilities related to these vehicles amounted to SR 49,563 as of December 31, 2023, and are included in the lease liabilities (Note 9).

Depreciation expense on property and equipment is allocated as follows:

	<b>Notes</b>	<b>December 31, 2024</b>	December 31, 2023
Cost of sales	21	<b>6,072,351</b>	5,520,659
General and administration expenses	22	<b>474,873</b>	745,047
		<b>6,547,224</b>	6,265,706
Discontinued operations		<b>109,334</b>	321,018
		<b>6,656,558</b>	6,586,724

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**6. Property and equipment (continued)**

<b>2023</b>	<b>Note</b>	<b>Building</b>	<b>Leasehold improvements</b>	<b>Furniture and fixtures</b>	<b>Machinery and equipment</b>	<b>Vehicles</b>	<b>Computers</b>	<b>Total</b>
<b>Cost</b>								
Balance, beginning of the year		11,917,929	5,201,691	34,609,825	13,511,549	4,841,043	1,471,950	71,553,987
Additions during the year		-	622,670	1,146,907	64,810	76,500	47,740	1,958,627
Transferred from capital work under construction	8	-	-	1,818,383	281,351	-	-	2,099,734
Disposal during the year		-	(53,598)	(764,122)	(331,040)	(352,575)	(800)	(1,502,135)
<b>Balance, ending of the year</b>		<b>11,917,929</b>	<b>5,770,763</b>	<b>36,810,993</b>	<b>13,526,670</b>	<b>4,564,968</b>	<b>1,518,890</b>	<b>74,110,213</b>
<b>Accumulated depreciation</b>								
Balance, beginning of the year		6,046,963	3,129,284	19,939,386	7,307,665	2,655,546	1,001,002	40,079,846
Charge for the year		823,279	639,118	2,850,123	1,496,609	567,831	209,764	6,586,724
Disposal		-	(66,227)	(531,282)	(247,342)	(233,471)	(788)	(1,079,110)
<b>Balance, ending of the year</b>		<b>6,870,242</b>	<b>3,702,175</b>	<b>22,258,227</b>	<b>8,556,932</b>	<b>2,989,906</b>	<b>1,209,978</b>	<b>45,587,460</b>
<b>Net book value</b>		<b>5,047,687</b>	<b>2,068,588</b>	<b>14,552,766</b>	<b>4,969,738</b>	<b>1,575,062</b>	<b>308,912</b>	<b>28,522,753</b>



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**7. Intangible assets**

	Note	<b>December 31, 2024</b>	December 31, 2023
<b>Cost</b>			
Balance, beginning of the year		<b>543,219</b>	527,501
Additions during the year		<b>285,108</b>	15,718
<b>Balance, ending of the year</b>		<b>828,327</b>	543,219
<b>Accumulated amortization</b>			
Balance, beginning of the year		<b>390,302</b>	312,926
Charge for the year	22	<b>93,141</b>	77,376
<b>Balance, ending of the year</b>		<b>483,443</b>	390,302
<b>Net book value</b>		<b>344,884</b>	152,917

**8. Capital works under construction**

**A-** Capital work under construction represents improvements to leased premises (sales branches) and the cost of installing machinery and equipment. and it's expected to be completed during 2025.

**B-** The following is the movement of works under construction for the two years ended in December 31:

	Note	<b>December 31, 2024</b>	December 31, 2023
Balance, beginning of the year		<b>1,416,492</b>	1,330,436
Additions during the year		<b>511,693</b>	2,185,790
Transferred to property and equipment	6	<b>(1,405,878)</b>	(2,099,734)
Transferred to Intangible assets		<b>(285,108)</b>	-
<b>Balance, ending of the year</b>		<b>237,199</b>	1,416,492
<b>Less: Impairment of Capital works under construction</b>		<b>(201,403)</b>	-
<b>Balance, ending of the year</b>		<b>35,796</b>	1,416,492

**9. Leases**

**A-** Following is the movement of the right to use assets:

	<b>December 31, 2024</b>	December 31, 2023
<b>Cost</b>		Restated Note 31
Balance, beginning of the year	<b>51,802,600</b>	50,420,174
Additions during the year	<b>2,619,826</b>	17,455,520
Disposals during the year	<b>(6,885,276)</b>	(16,180,797)
Disposal – Subsidiary	<b>(475,109)</b>	-
Amendment	-	107,703
<b>Balance, ending of the year</b>	<b>47,062,041</b>	51,802,600
<b>Accumulated depreciation</b>		
Balance, beginning of the year	<b>15,773,821</b>	19,588,195
Charge for the year	<b>12,163,037</b>	12,046,018
Disposals during the year	<b>(4,493,050)</b>	(15,860,392)
Disposal – Subsidiary	<b>(384,425)</b>	-
<b>Balance, ending of the year</b>	<b>23,059,383</b>	15,773,821
<b>Net book value</b>	<b>24,002,658</b>	36,028,779

**B-** Lease depreciation expense is distributed as follows:

	Note	<b>December 31, 2024</b>	December 31, 2023
Cost of sales	21	<b>12,004,236</b>	11,871,425
Discontinued operations		<b>158,801</b>	174,593
		<b>12,163,037</b>	12,046,018

## 9. Leases (Continued)

C-Following is the movement of the lease liabilities:

	Note	December 31, 2024	December 31, 2023 (Restated Note 31)
Balance, beginning of the year		33,212,220	28,193,657
Additions during the year		2,619,826	17,455,520
Interest cost	24,25	2,023,340	1,853,480
Amendments		-	110,989
Disposals during the year		(2,489,941)	(194,538)
Disposal of subsidiary during the year		(65,686)	-
Paid during the year		(12,565,422)	(11,803,395)
Transfer to trade payables		(1,205,550)	(2,403,493)
<b>Balance, ending of the year</b>		<b>21,528,787</b>	<b>33,212,220</b>
<b>Non-current portion</b>		<b>12,121,189</b>	<b>21,710,485</b>
<b>Current portion</b>		<b>9,407,598</b>	<b>11,501,735</b>

- The total undiscounted lease payments for lease liabilities are disclosed in note (30).

## 10. Inventory

	December 31, 2024	December 31, 2023
Packaging materials and operating supplies	2,837,176	3,104,281
Stock of vegetables, fruits and frozen food items	2,114,907	2,125,304
	<b>4,952,083</b>	<b>5,229,585</b>

## 11. Prepaid expenses and other assets

A- This item consists of the following:

	December 31, 2024	December 31, 2023 (Restated Note 31)
Advance payments to suppliers*	4,090,528	3,927,023
Shareholders' equity balances **	1,286,250	851,250
Government expenses paid in advance	870,092	1,159,374
Employees receivables	515,839	603,786
Prepaid insurance	510,386	507,171
Refundable deposit	261,543	261,528
Other	230,330	305,835
	<b>7,764,968</b>	<b>7,615,967</b>
Less: Provision for an impairment in advances	(847,434)	(847,434)
	<b>6,917,534</b>	<b>6,768,533</b>

\* Advances to suppliers as of December 31, 2024, and 2023 include SR 2,801,575, amounts paid by the Company as financial payments to become a 55% partner in an existing company. The Company filed a lawsuit against the partner in the investee company for failure to complete the legal procedures to enter the company as a 55% partner, or to oblige the partner in the investee company (the defendant) to return the amounts paid to the company. A judgment was issued by the competent court dismissing the partnership lawsuit, and accordingly, the company filed a claim against the partner's financial liability in his personal capacity and as a shareholder in the company. The judgment has not been issued to date, and the company's attorney confirmed that the company's legal position is strong in this matter, therefore no provisions have been made against these amounts.

\*\* These amounts represent payments for consultancy fees related to the increase in capital through rights issues, and will be deducted from the proceeds of the offering.

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**12. Accounts receivable**

This item consists of the following:

	Note	December 31, 2024	December 31, 2023
Accounts receivables	12 – 1	6,782,464	8,011,975
Expected credit losses allowance	12 – 2	(1,560,903)	(1,214,473)
		<u>5,221,561</u>	<u>6,797,502</u>

**12-1** The following is the aging for accounts receivables:

	December 31, 2024	December 31, 2023
0 – 90 Days	3,114,669	4,103,561
91 – 180 Days	851,048	2,420,318
181 – 270 Days	397,896	245,925
271 – 365 Days	708,899	202,431
More than 365 days	1,709,952	1,039,740
<b>Total</b>	<u>6,782,464</u>	<u>8,011,975</u>

**Accounts receivable (continued)****12-2** The following is the movement for expected credit losses allowance:

	Note	December 31, 2024	December 31, 2023
Balance, beginning of the year		1,214,473	526,693
Charge during the year		385,869	687,780
Disposal – Subsidiary		(39,439)	-
<b>Balance, ending of the year</b>	12 – 3	<u>1,560,903</u>	<u>1,214,473</u>

**12-3** The analysis of the provision for expected credit losses is as follows:

Range	December 31, 2024			December 31, 2023		
	ECL rate	Book balance	ECL	ECL rate	Book balance	ECL
Days 90 – 1	0.51%	3,114,669	15,885	0.51%	4,103,561	20,991
Days 180 – 91	1.28%	851,048	10,893	1.28%	2,420,318	31,079
Days 270 – 181	5.90%	397,896	23,476	10.21%	245,925	25,108
Days 365 – 271	10 %	708,899	70,890	48.19%	202,431	97,555
More than 365 days	84 %	1,709,952	1,439,759	100%	1,039,740	1,039,740
<b>Total</b>		<u>6,782,464</u>	<u>1,560,903</u>		<u>8,011,975</u>	<u>1,214,473</u>

**13. Cash on hand and banks balances**

	December 31, 2024	December 31, 2023
Cash at Banks	4,056,646	2,366,245
Cash on hand	196,100	353,985
	<u>4,252,746</u>	<u>2,720,230</u>

The Group deposits its cash amounts in high credit rated banks in the Kingdom of Saudi Arabia. The Group's management does not believe that the expected credit losses on its bank balances are significant.

**14. Statutory reserve**

In line with the requirements of the corporate law, the Company's by-laws may stipulate setting aside a certain percentage of the net profits to form a reserve to be allocated for the purposes specified by the Company's by-laws. According to the Company's by-laws, at the end of each fiscal year, at least 10% of the annual net profit is set aside to form a statutory reserve, and the General Assembly may decide to stop this set aside when the stated reserve reaches 30% of the Company's capital.

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**15. Long term loans and face bonds**

- A-** In 2018, the Group entered into a loan agreement with Al Rajhi Bank for SR 13 million (10 million Saudi Riyals at a profit margin of 3% plus the SIBOR rate payable over 60 months, extended for additional one year, and 3 million Saudi Riyals at a profit margin of 3.5% plus the SIBOR rate payable over 4 months) to finance operational activities. This loan is secured by the Group's signing of a promissory note covering all liabilities, a corporate guarantee, undertakings from major shareholders, and compliance with other terms and conditions, the loan repayment on November 11, 2025.
- B-** In 2019, the Group entered into a loan agreement with Al Rajhi Bank for SR 10 million (7 million Saudi Riyals at a profit margin of 3.5% plus the SIBOR rate payable over 60 months, extended for additional one year and 3 million Saudi Riyals at a profit margin of 3.5% plus the SIBOR rate payable over 4 months) to finance operational activities. This loan is secured by a corporate guarantee, undertakings from major shareholders, and compliance with other financial terms and commitments, the loan repayments end on November 9, 2025.
- C-** During 2022, the Group entered into a Murabaha Sukuk Program agreement through a local financial company to issue Murabaha Sukuks to finance the Group's working capital and capital expansions for a total amount of SAR 20,000,000. The total nominal value of the outstanding issuances within one year shall not exceed SAR 10,000,000, with each issuance amounting to SAR 5,000,000. During 2023, the Group obtained issuances worth SAR 6,000,000 (6,000 Sukuks, nominal value of SAR 1,000) at profit margin rates ranging from 7.41% to 8%, payable quarterly for a period of one year from the issuance date. The Group also provided a promissory note payable on sight for SAR 6,474,100. During 2024, the Group obtained an issue of SAR 2,000,000 (2,000 Sukuk, par value SAR 1,000) with a profit margin of 8% per annum, payable quarterly for a period of two years from the date of issuance. The Group also provided a promissory note payable on sight for SAR 2,320,000. During the fourth quarter of 2024, the Group obtained an issue of SAR 4,000,000 (4,000 Sukuk, par value SAR 1,000) with a profit margin of 8.3% per annum, payable semi-annually for a period of three years from the date of issuance. The Group also provided a promissory note payable on sight for SAR 4,996,100.
- D-** During 2024, the Group entered into a bank facility agreement in the form of a loan with Al Rajhi Bank for an amount of SAR 2 million, with a profit margin of 3.5% plus SIBOR, repayable over a period of three months, to finance the Group's operating activities. This loan is secured by a guarantee of payment and performance from the Group's major shareholders and a third party, and is subject to compliance with other terms, conditions, ratios, and financial commitments.
- E-** Sukuk Development Entity: The Sukuk Development Entity "the Entity" was established as a Special Purpose Entity, with its Articles of Association approved on January 10, 2023, under license number SPE00167 dated on January 25, 2023 and valid for five years, pursuant to the regulations governing Special Purpose Entities issued by the Saudi Arabian Capital Market Authority. The purpose of the Entity is to obtain financing through the issuance of debt-based instruments, issuing shares for incorporation purposes, under the name of the Entity's trustee, and engaging in ancillary activities necessary to achieve its objectives. The Entity was established, and its 1,000 shares were registered without nominal value in the name of the Entity trustee. The trustee is not the owner of these shares and is not permitted to dispose of them or make any structural changes to the Facility without the approval of the Authority. The trustee of the Facility is Dinar Investment Company, a limited liability company whose business activities focus on financial technology in securities transactions.

- F-** The movement of long-term loans and bonds is as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Balance, beginning of the year	<b>11,897,857</b>	18,536,526
Additions during the year	<b>8,289,819</b>	15,491,639
Paid during the year	<b>(10,426,295)</b>	(22,130,308)
<b>Balance Ending of the year</b>	<b>9,761,381</b>	11,897,857
<b>Non-current portion</b>	<b>3,000,000</b>	3,311,382
<b>Current portion</b>	<b>6,761,381</b>	8,586,475
	<b>9,761,381</b>	11,897,857

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**16. Defined employees' benefit plan liability**

A- The Group determines the present value of its defined employee benefit plan liabilities by performing an actuarial valuation using the estimated unit incremental method after considering the following set of assumptions:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate	4.94%	4.77%
Salary increase rate	2%	2.60%
Staff turnover rate	<b>Average</b>	<b>Average</b>
Retirement age	<b>60 years</b>	<b>60 years</b>

B- The following is the movement of defined employees' benefits plan liabilities:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Balance, beginning of the year	<b>2,498,024</b>	2,076,836
<b>Recognized in the consolidated statement of the profit or losses</b>		
Current service cost	<b>727,776</b>	727,329
Interest cost	<b>85,268</b>	82,404
	<b>813,044</b>	809,733
<b>Recognized in the consolidated statement of OCI</b>		
Actuarial gains	<b>(47,611)</b>	(39,653)
<b>Movement on cash</b>		
Disposal of subsidiary	<b>(200,348)</b>	-
Paid during the year	<b>(531,363)</b>	(348,892)
<b>Balance, ending of the year</b>	<b>2,531,746</b>	2,498,024

C- The sensitivity analysis of defined employees' benefits plan liabilities is as follows:

<b>Assumption</b>	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
Discount rate	<b>2,455,654</b>	<b>2,716,683</b>	2,418,011	2,581,133
Salary inflation rate	<b>2,719,279</b>	<b>2,450,839</b>	2,543,261	2,453,614

The above sensitivity analyzes are based on the change in assumptions while all other assumptions are held constant. From a scientific standpoint, this is unlikely to happen and some changes in some assumptions may be related to each other. When calculating the sensitivity of employees' end-of-service benefits to a fundamental actuarial assumption, the same method is applied (the present value of employees' end-of-service benefits is calculated on the basis of the unit credit cost method). Estimated at the end of the reporting period) when calculating employee end-of-service benefits recognized in the consolidated statement of financial position.

**17. Trade payables**

	<u>December 31, 2024</u>	<u>December 31, 2023</u> (Restated note 31 )
Trade payables	<b>6,732,443</b>	8,560,654
Payables for leases	<b>1,205,551</b>	2,403,493
Payables to service suppliers	<b>1,066,410</b>	1,280,545
Al Faddan Fruits and Vegetables Company-Related party-previously subsidiary (note 27)	<b>156,448</b>	-
	<b>9,160,852</b>	12,244,692



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**18. Accrued expenses and other liabilities**

	<b>December 31, 2024</b>	<b>December 31, 2023</b> (Restated note 31)
Accrued salaries and benefits	<b>2,387,149</b>	2,543,838
Revenues from rental contracts	<b>486,627</b>	1,304,687
Accrued financing interest	<b>475,911</b>	1,118,838
Accrued Value added tax	<b>254,608</b>	137,963
Accrued expenses	<b>1,128,561</b>	1,275,851
	<b>4,732,856</b>	6,381,177

**19. Zakat provision****A-** The following movement of the zakat provision:

	<b>December 31, 2024</b>	<b>December 31, 2023</b> (Restated note 31)
Balance, beginning of the year	<b>252,482</b>	282,304
Charged during the year	<b>33,668</b>	223,328
Zakat Differences	-	120,841
Zakat assessment	<b>231,909</b>	119,760
Reversed	-	(153,095)
<b>Zakat Expense</b>	<b>265,577</b>	310,834
Zakat Settlement	-	17,106
Disposal at subsidiary	<b>(30,879)</b>	-
Paid during the year	<b>(31,713)</b>	(357,762)
<b>Balance, ending of the year</b>	<b>455,467</b>	252,482

**B-** Zakat Status

Development Works Food Company (parent Company):

The Company has finalized its zakat status until 2017. The Company has submitted Zakat declarations and unconsolidated financial statements to the Zakat, Tax and Customs Authority until 2022, and has paid the dues due under those declarations and obtained the required certificates. The following is a summary of the company's liabilities to date. assessments to date:

<b>Year</b>	<b>Assessment amount</b>	<b>Paid amount</b>	<b>Remaining amount</b>	<b>Zakat Status</b>
2017	9,349	-	9,349	The Company did not dispute the amount of the mentioned Zakat assessment.
2018	241,370	-	241,370	The Company objected to the zakat assessment and it was rejected by the Authority. The Company escalated the objection to the tax committees and it has not been decided upon to date.
2019	110,411	110,411	-	The Company did not dispute the amount of the mentioned Zakat assessment.
2020	448,481	237,926	210,555	The Company objected to the zakat assessment and it was rejected by the Authority. The Company escalated the objection to the tax committees and it has not been decided upon to date.
2021&2022	-	-	-	The Company has completed the Zakat assessments with the Zakat, Tax and Customs Authority for the years 2021 and 2022 with no financial impact on the financial statements.

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**20. Sales**

A- The group's sales mainly consist of sales of vegetables, fruits, food and beverages through direct sales, branch sales and delivery applications.

B- Revenue from sales is recognized at a point of time. The Group carries out its activities as a principal.

C- Sector information: The sector is considered an essential part of the Group and provides specific products or services (business sector) or provides products or services in a specific economic environment (geographic sector), and its profits and losses differ from the profits and losses of other sectors. Whereas the main activity of the Group consists of one main sector, which is the sale of fruit products and juices using the "Juice Time", "Quiznos" and "Beef Shot" trademarks, and other activities that are not materially significant, no Other activities meet any of the quantitative limits for revenues, profits or assets to be reported separately as an operating segment in accordance with the requirements of International Financial Reporting Standard (8) "Operating Segments" to present operating segments, and all of its activities are carried out within the Kingdom of Saudi Arabia, so the Group has prepared segment information according to The geographic regions within the Kingdom of Saudi Arabia are as follows:

<b>Sales by region</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Central Region	<b>76,953,933</b>	67,331,310
Western Region	<b>14,806,985</b>	14,963,865
Southern area	<b>5,598,000</b>	6,818,955
<b>Total</b>	<b>97,358,918</b>	89,114,130

D- Below are details of sales by company's operational activities:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Juice Time trademark sales	<b>82,120,135</b>	81,626,243
Beef Shots Sales	<b>8,575,570</b>	293,824
Quiznos trade mark sales	<b>6,569,629</b>	7,194,063
Juice Time Plus	<b>93,584</b>	-
<b>Total</b>	<b>97,358,918</b>	89,114,130

**21. Cost of sales**

	<b>Note</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b> (Restated note 31)
Inventory, beginning of the year	10	<b>5,229,585</b>	5,693,193
Purchases during the year		<b>39,308,584</b>	37,853,363
Inventory at the end of the year	10	<b>(4,952,083)</b>	(5,229,585)
<b>Cost of goods sold</b>		<b>39,586,086</b>	38,316,971
Direct operating expenses	21 – 1	<b>51,359,898</b>	48,127,499
<b>Cost of sales</b>		<b>90,945,984</b>	86,444,470

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**21. Cost of sales (Continued)****21-1** Details of direct operating expenses are as follows:

	Note	December 31, 2024	December 31, 2023 (Restated note 31)
Employee salaries and benefits		12,838,551	12,724,851
Amortization of the right to use assets	9	12,004,236	11,871,425
Commission & application Cost		8,775,315	6,084,356
Depreciation of property and equipment	6	6,072,351	5,520,659
Governmental expenses		4,160,257	4,747,230
Utilities		2,580,647	2,460,846
GOSI expenses		905,380	494,479
Repairs and maintenance Cost		844,201	812,274
Bank charges		643,700	536,992
Advertisement cost		576,429	855,677
Cleaning expenses		567,585	625,829
Insurance expenses		389,706	439,056
Rent expenses		246,991	188,732
Application development expenses		225,425	217,599
Franchise royalty expenses		189,728	221,725
Recruitment expense		103,058	161,491
Other expenses		236,338	164,278
<b>Total</b>		<b>51,359,898</b>	<b>48,127,499</b>

**22. General and administrative expenses**

	Note	December 31, 2024	December 31, 2023 (Restated note 31)
Allowances for Salaries and related benefits expenses		3,453,832	4,838,067
Professional & Consulting fees		1,190,256	895,268
Board of directors and it's committees	27	912,093	506,580
Depreciation of property and equipment	6	474,873	745,047
Government expenses		258,436	294,246
GOSI expenses		229,977	170,608
Insurance expenses		201,250	230,361
Application development expenses		197,676	142,448
Utilities		148,159	201,382
Amortization of intangible assets	7	93,141	77,376
Fines and Penalties		16,447	229,032
Other expenses		234,557	329,009
		<b>7,410,697</b>	<b>8,659,424</b>

This item includes salaries and benefits of senior management and key executives for the year ended 31 December 2024 amounting to SAR 1,193,282 (31 December 2023: SAR 1,500,000) — Note (27).

**23. Other income**

	December 31, 2024	December 31, 2023 (Restated note 31)
Sublease Income	3,459,150	3,337,007
Franchise royalty income	498,247	469,504
Gains/(losses) on disposal of lease liabilities	97,715	(125,867)
Gains/(losses) on sale of Property and equipment	5,978	(210,811)
Impairment off capital work in progress	(201,403)	-
Revenue from financial claim and lawsuit	-	786,354
Manpower income	-	244,746
Other	84,871	15,058
	<b>3,944,558</b>	<b>4,515,991</b>

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**24. Finance cost**

	Note	December 31, 2024	December 31, 2023 (Restated note 31)
Interest Expenses for ROU	9	2,015,390	1,832,841
Interest Expenses for loans		540,419	915,274
Defined employee's benefit plan interest expense	16	85,268	82,404
		<b>2,641,077</b>	<b>2,830,519</b>

**25. Discontinued Operations (Disposal of a Subsidiary)**

On December 25, 2024, the Company's Board of Directors decided to sell the Group's 70% stake in its subsidiary, Al Faddan Fruits and Vegetables Company. The Group's share of the subsidiary's fair value amounted to SAR 2,100,000, resulting in a profit of SAR 1,596,489. The transfer of control and the exercise of all rights by the buyer will take effect from January 1, 2025. The regulatory procedures to amend the ownership structure of the sold company are currently underway.

	2024
Net assets and liabilities at the date of disposal	719,301
Less: Non-controlling interest	(215,790)
The carrying amount of net assets and liabilities sold after excluding non-controlling interest	503,511

***The following is the gain from Discontinued Operations***

Financial consideration	2,100,000
Less: The carrying amount of net assets and liabilities sold after excluding non-controlling interest	(503,511)
Gain from disposal of a subsidiary	1,596,489
Add the share of business results for the period	48,511
Gross profit on disposal of a subsidiary	1,645,000

	2024	2023
<b>Discontinued Operations</b>		
Revenue	9,261,834	10,954,160
Cost of revenue	(8,461,014)	(10,112,202)
<b>Gross Profit</b>	<b>800,820</b>	841,958
General and Administrative Expenses	(723,568)	(786,147)
Other Income	-	93,581
<b>Net Loss for the Year from Main Businesses</b>	<b>77,252</b>	149,392
Finance Costs	(7,950)	(20,639)
<b>Net Loss for the Year Before Zakat</b>	<b>69,302</b>	128,753
Zakat	-	(16,431)
<b>Net Loss for the Year</b>	<b>69,302</b>	112,322
Other Comprehensive Income		
Remeasurement Losses on Defined Benefit Plan Obligations	-	(3,783)
<b>Other Comprehensive Income</b>	-	(3,783)
<b>Total Comprehensive Income</b>	<b>69,302</b>	108,539

	December 31, 2024
Less: Non-controlling interests as at year-end	215,790
Less: Share of results (Total comprehensive income at 30%)	(20,791)
Elimination of non-controlling interests as at year-end	(194,999)
Balance at year end	-

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**26. Basic and diluted (loss) / earnings per share**

Basic and diluted (loss) earnings per share is calculated by dividing the net loss for the year by the weighted average number of shares outstanding at the end of the year, as follows:

**From Continuing operations**

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Net loss for the year for continuing operations	<b>(345,728)</b>	(5,247,036)
Weighted average number of outstanding shares at the end of the year	<b>3,000,000</b>	3,000,000
Basic and diluted per share	<b>(0.12)</b>	(1.75)

**From discontinued operations**

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Net Profit for the year	<b>1,645,000</b>	112,322
Weighted average number of outstanding shares	<b>3,000,000</b>	3,000,000
Basic and diluted per share	<b>0.55</b>	0.04

**27. Transactions with related parties**

There were transactions concluded during the year with related parties within the Group's normal business and with management's approval. Management believes that the terms of these transactions are not materially different from any other transactions the Company enters into with any third party.

A. The following are the most significant transactions that took place with the related party:

<b>Related party</b>	<b>Relationship</b>	<b>Transaction type</b>	<b>Transactions amounts</b>	
			<b>December 31, 2024</b>	<b>December 31, 2023</b>
Al Faddan Fruits and Vegetables Company	Excluded subsidiary	Purchases	<b>8,948,077</b>	10,618,659
		Payments	<b>(8,785,000)</b>	(9,664,000)
		Dividend Distribution	<b>75,977</b>	352,995
		Actual Expenses	-	54,434
		Subsidiary Disposal	<b>2,100,000</b>	-

**B. Compensation of senior management and senior executives**

Compensation of senior management and senior executives represents those amounts paid to persons who have authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including any manager (whether executive or otherwise): Below are the details of compensation of senior management and senior executives:

<b>Related party</b>	<b>Relationship</b>	<b>Transaction type</b>	<b>Transactions amounts</b>	
			<b>December 31, 2024</b>	<b>December 31, 2023</b>
Senior management and senior executives	Employees	Salaries and bonuses	<b>1,193,282</b>	1,500,000
Board of Directors and related committees	Charged with governance	Allowances (note 22)	<b>912,093</b>	506,580
Ashry Saad Al-Ashry	predecessor	Withdrawals	-	200,300
	Chairman	Payments	-	200,300

**28. Dividend to Non-controlling Interests**

During the year, subject to the approval of the shareholders of Al Faddan Fruits and Vegetables Company (a disposed subsidiary), dividends amounting to SAR 108,539 (December 31, 2023: SAR 504,278) were distributed to each shareholder according to their percentage of capital. An amount of SAR 31,930 (December 31, 2023: SAR 151,283) was paid in cash during the year to non-controlling interests.



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**29. Contingent liabilities and capital commitments**

A- The Group has liabilities for annual operating lease contracts that represent the minimum rental payments payable, the minimum amounts that are not subject to cancellation in exchange for renting facilities and residential units.

	<b>December 31, 2024</b>	December 31, 2023
Within one year	<b>246,991</b>	249,091

B- The group signed promissory notes and committed to pledges and guarantees against the loans and instruments granted to the group, as shown in Note No. 15.

C- The Group has no capital commitments as of December 31, 2024, 2023.

**30. Financial instruments, risk management and fair value****Financial instruments**

The financial instruments included in the consolidated statement of financial position mainly include receivables, cash on hand and at banks, loans & bonds, accounts payable. The accounting policies for financial assets and financial liabilities are stated in (Note 4).

**Risk Management**

The Group's management has overall responsibility for setting and supervising the Group's risk management frameworks. The Group's risk management policies have been developed to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adhere to those limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. Through its training and management procedures and standards, the Group aims to have a constructive and regular control environment in which employees are aware of their responsibilities and obligations.

**Credit risk**

Credit risk represents the risk of financial loss that the Group faces in the event that the customer or counterparty in a financial instrument fails to fulfill its contractual obligations, and it mainly arises from cash in banks and receivables. The maximum exposure to credit risk represents the carrying value of these assets.

The cash balance is represented in current accounts, and since the cash is deposited with financial institutions with a high credit rating, management believes that the Group is not exposed to significant risks. Customer-related credit risk is managed by the business unit subject to the Group's policies, procedures and controls on customer-related credit risk management. Credit limits are established for all customers using internal and external rating standards and controls. The credit quality of customers is evaluated according to a credit rating system. Outstanding receivables are monitored regularly.

The following is a detail of the credit risks to which the Company is exposed:

	<b>December 31, 2024</b>	December 31, 2023
Account receivables	<b>6,782,464</b>	8,011,975
Cash at banks	<b>4,056,646</b>	2,366,245
	<b>10,839,110</b>	10,378,220

\* Please refer to (Note 12) for more details about the expected credit loss allowance related to account receivables.

**Market risk**

Market risk is the risk of the potential impact of changes in market prices such as foreign exchange rates and commission rates. The objective of market risk management is to manage and control exposure to market risks within acceptable limits while achieving the highest possible return.

Foreign exchange rate risk: Foreign exchange rate risk results from changes and fluctuations in the value of financial instruments as a result of changes in foreign exchange rates. The Group's management believes that the risks of fluctuations in currency exchange rates are insignificant as most of the Group's financial transactions are carried out in Saudi riyals.

### 30. Financial instruments, risk management and fair value (continued)

#### *Risk Management (continued)*

##### *Market risk (continued)*

Commodity price risks: Commodity price risks are the risks associated with changes in the prices of some commodities, which are mainly represented in the purchase prices of vegetables and fruits from external suppliers. The Group's management believes that it is not exposed to significant risks due to fluctuations in commodity prices.

##### Interest rate risk

The Group manages interest rate risk through the use of debt and fixed rate deposits. The Group does not have any assets or liabilities with variable interest rates. Management has estimated that the impact on the results of operations for the year due to the increase or decrease in the interest rate is not material.

The table below reflects the extent to which income is affected by reasonably possible changes in commission rates related to variable interest loans, with all other subject to change remaining constant.

	<b>Increase/decrease in basis points</b>	<b>Impact on net loss for the year</b>
<b>2024</b>	<b>+ 100</b>	<b>97,614</b>
<b>2024</b>	<b>– 100</b>	<b>(97,614)</b>
2023	+ 100	118,978
2023	– 100	(118,978)

##### Capital risk

The Group's policy is to maintain a strong capital base to instill confidence in users of the consolidated financial statements and to sustain future business development. The Group manages its capital structure and adjusts in light of changes in economic conditions. Management monitors the return on capital, which the Group defines as the result of operating activities divided by total equity. There have been no changes in the Group's capital management approach during the year.

Management monitors the level of dividends distributed to ordinary shareholders.

The Group is subject to capital requirements by banks that have provided loans and credit facilities to the Group.

Below is an analysis of the Group's debt-to-equity ratio.

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Total liabilities	<b>48,171,089</b>	66,486,452
Less: Cash on hand and at banks	<b>(4,252,746)</b>	(2,720,230)
Net	<b>43,918,343</b>	63,766,222
Total equity	<b>22,270,293</b>	21,150,339
Liability to equity	<b>1.97</b>	3.01

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**30. Financial instruments, risk management and fair value (continued)****Risk Management (continued)****Liquidity risk**

Liquidity risk represents the Company's difficulties in meeting commitments associated with its financial liabilities. The Company's approach to managing liquidity risk is to maintain sufficient cash and cash equivalents and ensure that funds are available to meet commitments as they fall due. The management monitors the risk of liquidity shortage using forecast models to determine the effects of operating activities on the overall liquidity availability, and maintains an available cash liquidity ratio, which ensures debt repayment when due.

The table below summarizes the maturity dates of the Company's financial liabilities based on contractual undiscounted payments:

	<b>1 – 12 Months</b>	<b>1 -5 Years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>2024</b>				
Leases liabilities	10,791,822	11,503,266	2,675,000	24,970,088
Loans & Sukuk	8,010,174	3,481,675	-	11,491,849
Trade payable	9,160,852	-	-	9,160,852
Accruals and other liabilities	4,732,856	-	-	4,732,856
<b>Total</b>	<b>32,695,704</b>	<b>14,984,941</b>	<b>2,675,000</b>	<b>50,355,645</b>
	<b>1 – 12 Months</b>	<b>1 -5 Years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>2023 (Restated)</b>				
Leases liabilities	13,698,102	20,754,171	4,151,347	38,603,620
Loans & Sukuk	9,397,109	3,879,174	-	13,276,283
Trade payable	8,560,654	-	-	8,560,654
Accruals and other liabilities	6,381,177	-	-	6,381,177
<b>Total</b>	<b>38,037,042</b>	<b>24,633,345</b>	<b>4,151,347</b>	<b>66,821,734</b>

**Fair value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would use the asset in its highest and best use is taken into account.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy. This is described as follows, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities,
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable,
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

### 30. Financial instruments, risk management and fair value (continued)

#### Risk Management (continued)

#### Fair value (continued)

For assets and liabilities recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following table shows the carrying value of financial assets and liabilities, including their levels and fair value hierarchy. This does not include information about the fair value of these financial assets and liabilities, as the carrying value represents a reasonable estimate of the fair value and does not differ from it materially.

	Book value	
	December 31, 2024	December 31, 2023
<b>Financial assets</b>		
Accounts Receivables	6,782,464	8,011,975
Cash and cash equivalents	4,252,746	2,720,230
	<b>11,035,210</b>	<b>10,732,205</b>
<b>Financial liabilities</b>		
Loans and Sukuk	9,761,381	11,897,857
Accounts payable	9,160,852	12,244,692
Accrued expenses and other liabilities	4,732,856	6,381,177
	<b>23,655,089</b>	<b>30,523,726</b>

### 31. Restatement of prior years

During the year ended December 31, 2024, management identified errors related to prior years, which have been corrected in accordance with International Accounting Standard (IAS) 8 "Accounting Policies, Changes in Accounting Estimates and Errors." The impact of correcting these errors is as follows:

- a. Management identified certain errors in the application of International Accounting Standard 16 (Leases) and has accordingly made the necessary adjustments, These include the following:
  - Adjusting the discount rate previously used to measure the present value of lease payments to match the available borrowing rate in company's loan agreements.
  - Adjustment of depreciation of right-of-use assets and finance costs on lease liabilities for prior years.
  - Adjusting lease liabilities for amounts paid in prior years that were not recognized as liabilities.
  - Adjusting property and equipment related to leasehold improvements to match the depreciation policy or the lease term, whichever is earlier.
- b. Recognition of lease liabilities, which represent previously unrecognized advance revenue from leases to third parties, relating to years 2022 and prior, where the Company operates as a lessor.
- c. Reclassification of discontinued operations resulting from the disposal of the subsidiary "Al Faddan Fruits and Vegetables Company" during the year 2024, as disclosed in Note (25).
- d. Certain comparative figures have been reclassified to conform to the current year presentation.

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**31. Restatement of prior years (continued)**

Impact of reclassification and adjustments on the statement of financial position as of January 1, 2023:

	Note	Balance as at January 1, 2023 As previously issued	Restatement	Reclassification	Balance as at January 1, 2023 After Restatement
<b>Assets</b>					
<b>Non-current assets</b>					
Property and equipment		31,474,141	-	-	31,474,141
Intangible assets		214,575	-	-	214,575
Capital works under construction		1,330,436	-	-	1,330,436
Right of use assets	A	19,756,402	11,075,577	-	30,831,979
<b>Total non-current assets</b>		<b>52,775,554</b>	<b>11,075,577</b>	-	<b>63,851,131</b>
<b>Current assets</b>					
Inventory		5,693,193	-	-	5,693,193
Prepaid expenses and other assets	D	10,628,632	-	(28,591)	10,600,041
Accounts receivable		5,869,945	-	-	5,869,945
Cash and cash equivalent		2,726,125	-	-	2,726,125
<b>Total current assets</b>		<b>24,917,895</b>	-	<b>(28,591)</b>	<b>24,889,304</b>
<b>Total assets</b>		<b>77,693,449</b>	<b>11,075,577</b>	<b>(28,591)</b>	<b>88,740,435</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital		30,000,000	-	-	30,000,000
Statutory reserve		723,931	-	-	723,931
Actuarial reserve		(423,141)	-	-	(423,141)
Accumulated losses	A,B	(1,023,365)	(3,226,392)	-	(4,249,757)
<b>Net equity attributable to shareholders of the parent company</b>		<b>29,277,425</b>	<b>(3,226,392)</b>	-	<b>26,051,033</b>
Non-controlling interests		345,650	-	-	345,650
<b>Total equity</b>		<b>29,623,075</b>	<b>(3,226,392)</b>	-	<b>26,396,683</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Lease liabilities – non-current portion	A	5,829,706	13,741,626	-	19,571,332
Long-term loans and bonds – non-current portion		7,397,857	-	-	7,397,857
Defined employees' benefit plan liability		2,076,836	-	-	2,076,836
<b>Total non-current liabilities</b>		<b>15,304,399</b>	<b>13,741,626</b>	-	<b>29,046,025</b>
<b>Current liabilities</b>					
Lease liabilities – current portion	A	10,944,424	(2,322,099)	-	8,622,325
Long-term loans and bonds – current portion		11,138,669	-	-	11,138,669
Trade payable	A	5,135,822	1,402,186	-	6,538,008
Accrued expenses and other liabilities	B, D	5,264,756	1,480,256	(28,591)	6,716,421
Zakat provision		282,304	-	-	282,304
<b>Total current liabilities</b>		<b>32,765,975</b>	<b>560,343</b>	<b>(28,591)</b>	<b>33,297,727</b>
<b>Total liabilities</b>		<b>48,070,374</b>	<b>14,301,969</b>	<b>(28,591)</b>	<b>62,343,752</b>
<b>Total equity and liabilities</b>		<b>77,693,449</b>	<b>11,075,577</b>	<b>(28,591)</b>	<b>88,740,435</b>

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**31. Restatement of prior years (continued)**

Impact of reclassification and adjustments on the statement of financial position as of December 31, 2023:

	Note	Balance as at December 31, 2023 As previously issued	Restatement	Reclassification	Balance as at December 31, 2023 Restated
<b>Assets</b>					
<b>Non-current assets</b>					
Property and equipment	A	28,844,824	(322,071)	-	28,522,753
Intangible assets		152,917	-	-	152,917
Capital works under construction		1,416,492	-	-	1,416,492
Right of use assets	A	28,810,770	7,218,009	-	36,028,779
<b>Total non-current assets</b>		<b>59,225,003</b>	<b>6,895,938</b>	-	<b>66,120,941</b>
<b>Current assets</b>					
Inventory		5,229,585	-	-	5,229,585
Prepaid expenses and other assets	C	7,028,122	-	(259,589)	6,768,533
Accounts receivable		6,797,502	-	-	6,797,502
Cash and cash equivalent		2,720,230	-	-	2,720,230
<b>Total current assets</b>		<b>21,775,439</b>	-	<b>(259,589)</b>	<b>21,515,850</b>
<b>Total assets</b>		<b>81,000,442</b>	<b>6,895,938</b>	<b>(259,589)</b>	<b>87,636,791</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital		30,000,000	-	-	30,000,000
Statutory reserve		723,931	-	-	723,931
Actuarial reserve		(382,353)	-	-	(382,353)
Accumulated losses	A,B	(5,386,349)	(4,031,819)	-	(9,418,168)
<b>Net equity attributable to shareholders of the parent company</b>		<b>24,955,229</b>	<b>(4,031,819)</b>	-	<b>20,923,410</b>
Non-controlling interests		226,929	-	-	226,929
<b>Total equity</b>		<b>25,182,158</b>	<b>(4,031,819)</b>	-	<b>21,150,339</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Lease liabilities – non-current portion	A	14,812,802	6,897,683	-	21,710,485
Long-term loans and bonds – non-current portion		3,311,382	-	-	3,311,382
Defined employees' benefit plan liability		2,498,024	-	-	2,498,024
<b>Total non-current liabilities</b>		<b>20,622,208</b>	<b>6,897,683</b>	-	<b>27,519,891</b>
<b>Current liabilities</b>					
Lease liabilities – current portion	A	12,044,905	(543,170)	-	11,501,735
Long-term loans and bonds – current portion	A	8,586,475	-	-	8,586,475
Trade payable	A	8,560,654	2,403,493	1,280,545	12,244,692
Accrued expenses and other liabilities	B	5,751,560	2,169,751	(1,540,134)	6,381,177
Zakat provision		252,482	-	-	252,482
<b>Total current liabilities</b>		<b>35,196,076</b>	<b>4,030,074</b>	<b>(259,589)</b>	<b>38,966,561</b>
<b>Total liabilities</b>		<b>55,818,284</b>	<b>10,927,757</b>	<b>(259,589)</b>	<b>66,486,452</b>
<b>Total equity and liabilities</b>		<b>81,000,442</b>	<b>6,895,938</b>	<b>(259,589)</b>	<b>87,636,791</b>

### 31. Restatement of prior years (continued)

Impact of reclassification and adjustments on the statement of Profit or loss as of December 31, 2023:

	Note	Balance as at December 31, 2023 As previously issued	Reclassification	Restatement	Balance as at December 31, 2023 Restated
<b>Continuing operations</b>					
Revenue	C	89,449,631	(335,501)	-	89,114,130
Cost of revenue	A,C	(86,090,083)	(506,457)	152,070	(86,444,470)
<b>Gross profit</b>		3,359,548	(841,958)	152,070	2,669,660
General and administrative expenses	A,B,C,D	(9,963,912)	1,434,488	(130,000)	(8,659,424)
Expected credit loss expenses	D	-	(648,341)	-	(648,341)
Other income	A,B	4,568,878	(93,581)	40,694	4,515,991
<b>Net loss from main operations</b>		(2,035,486)	(149,392)	62,764	(2,122,114)
Financing costs	A,D	(1,982,967)	20,639	(868,191)	(2,830,519)
<b>Net loss for the year before zakat</b>		(4,018,453)	(128,753)	(805,427)	(4,952,633)
Zakat	C	(310,834)	16,431	-	(294,403)
<b>Net loss for the year</b>		(4,329,287)	(112,322)	(805,427)	(5,247,036)
<b>Discontinued operations</b>					
Results of the year from discontinued operations	C	-	112,322	-	112,322
<b>Net loss for the year</b>		(4,329,287)	-	(805,427)	(5,134,714)
<b>Allocated to:</b>					
Parent company		(4,362,984)	-	(805,427)	(5,168,411)
Non-controlling interests		33,697	-	-	33,697
		(4,329,287)	-	(805,427)	(5,134,714)
<b>Consolidated other comprehensive income</b>					
Actuarial gains		39,653	-	-	39,653
<b>Total other comprehensive income</b>		(4,289,634)	-	(805,427)	(5,095,061)
<b>Allocated to:</b>					
Parent company					
Non-controlling interests		(4,322,196)	-	(805,427)	(5,127,623)
<b>Total other comprehensive loss</b>		32,562	-	-	32,562
		(4,289,634)	-	(805,427)	(5,095,061)
<b>Basic and diluted earnings/(Loss) per share</b>					
From continuing operations		(1.44)	(0.04)	(0.27)	(1.75)
From discontinued operations		-	0.04	-	0.04

Impact of adjustments and reclassifications on the consolidated statement of cash flows for the year ending December 31, 2023:

	Balance as at December 31, 2023As previously issued	Restatement	Balance as at December 31, 2023 Restated
Net cash generated from operating activities	23,840,691	(1,305,318)	22,535,373
Net cash used in investing activities	(3,851,054)	(96,867)	(3,947,921)
Net cash used in financing activities	(19,995,532)	1,402,185	(18,593,347)

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**32. Subsequent and significant events during the year**

On January 3, 2024, the Board of Directors recommended increasing the parent company's capital through a rights issue of SAR 90 million. The company subsequently announced the appointment of an independent consultant to manage this process. This increase is subject to the approval of the Extraordinary General Assembly of Shareholders and the relevant official authorities.

During the Board of Directors' meeting held on September 29, 2024, the Board of Directors decided to sell the " Quiznos" franchise. Management believes there is no significant likelihood of selling the franchise in the near future, specifically within the next twelve months.

Management believes that there are no significant subsequent events after year end that require adjustment or disclosure on these consolidated financial statements.

**33. Approval of consolidated financial statements**

The consolidated financial statements were approved by the Board of Directors on 2 Thul-Qi'dah 1446H (Corresponding to 30 April 2025).