

**WAFRAH FOR INDUSTRY AND DEVELOPMENT CO.
A SAUDI JOINT-STOCK COMPANY
RIYADH - KINGDOM OF SAUDI ARABIA
INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025 (UNAUDITED)**

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**INDEPENDENT AUDITOR'S REVIEW REPORT
 FOR THE INTERIM CONDENSED FINANCIAL STATEMENTS**

To the Shareholders
Wafrah for Industry and Development Co.
A Saudi joint-stock company
Riyadh - Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Wafrah for Industry and Development Company (the "Company") as at March 31, 2025, the interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and notes to the interim condensed financial statements.

Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying March 31, 2025 interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia.

Other Matter

The interim condensed financial statements of the Company for the three-month period ended March 31, 2024, were audited by another auditor, who expressed an unmodified conclusion on those interim condensed financial statements on May 21, 2024.

Riyadh on: 17 Dhual-Qa'dah 1446
 Corresponding to: 15 May 2025



For El Sayed El Ayouty & Co.

A. Balamesh

Abdullah A. Balamesh
Certified Public Accountant
License No. (345)

Wafrah for Industry and Development Co.
A Saudi joint-stock company
Riyadh - Kingdom of Saudi Arabia
Interim condensed statement of financial position as at March 31, 2025 (unaudited)
(Expressed in Saudi Riyals)

	Note	31/03/2025 (unaudited)	31/12/2024 (audited)
Assets			
Non-current assets			
Property, plant and equipment - net	5	72,031,288	73,203,211
Capital work in progress	6	88,585,236	85,973,476
Right-of-use assets - net	7.1	3,962,227	4,127,280
Intangible assets - net		158,342	201,674
Investments at fair value through profits or losses	8	18,513,988	16,546,504
Investments at fair value through other comprehensive income	9	605,931	685,113
Total non-current assets		183,857,012	180,737,258
Current assets			
Inventory - net		41,179,993	43,899,868
Biological assets		5,526,777	6,397,573
Trade receivables - net	10	88,625,181	64,158,379
Due from related parties	11	967,409	967,409
Prepayments and other debit balances - net		7,560,896	13,615,492
Cash and cash equivalents		13,990,253	26,929,576
Total current assets		157,850,509	155,968,297
Total assets		341,707,521	336,705,555
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	12	231,511,050	231,511,050
Reserve of valuation of investments at fair value		(852,713)	(857,098)
Re-measurement reserve of employees' defined benefits plans		863,001	863,001
Retained earnings		11,938,608	7,464,778
Total Shareholders' equity		243,459,946	238,981,731
Non-current liabilities			
Lease liabilities - non-current portion	7.2.1	3,688,001	3,783,341
Debt transfer obligation	8.3.1	7,027,598	7,027,598
Employees' defined benefit obligations	13	6,767,902	6,899,694
Total non-current liabilities		17,483,501	17,710,633
Current liabilities			
Financing agreement liabilities		-	8,000,000
Lease liabilities - current portion	7.2.2	443,221	548,649
Trade payables		39,217,657	30,912,897
Accrued expenses and other credit balances		8,979,977	8,554,068
Other provisions		1,719,641	1,997,052
Shareholders accruals payables		25,802,591	25,814,733
Provision for zakat	14	4,600,987	4,185,792
Total current liabilities		80,764,074	80,013,191
Total liabilities		98,247,575	97,723,824
Total shareholders' equity and liabilities		341,707,521	336,705,555

The accompanying notes from (1) to (19) form an integral part of these interim condensed financial statements, which were approved by the Company's Board of Directors and signed on their behalf by the following:

Acting Chief Financial Officer
Mohammed Ibrahim Abu Ismail



Acting Chief Executive Officer
Abdullah Mohammed Al-Shahri



Authorized BOD Member
Mohammed Yaqoub Al-Mukhdhab

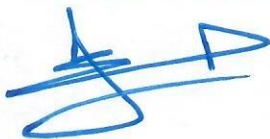


Wafrah for Industry and Development Co.
A Saudi joint-stock company
Riyadh - Kingdom of Saudi Arabia
Interim condensed statement of profit or loss and other comprehensive income
For the three-month period ended March 31, 2025 (unaudited)
(Expressed in Saudi Riyals)

	Note	For the three-month period ended 31/03/2025 (unaudited)	31/03/2024 (unaudited)
Revenue - net		57,493,427	54,114,691
Cost of revenue		(41,015,765)	(32,139,887)
Gross profit		16,477,662	21,974,804
Selling and marketing expenses		(7,444,993)	(6,060,072)
General and administrative expenses		(4,125,204)	(4,336,839)
Expected credit losses		(112,867)	(1,892,903)
Impairment of other receivables		(52,102)	-
Income from operating activities		4,742,496	9,684,990
Gains from valuation of investments at fair value through profits or losses	9	1,967,484	1,188,952
Losses from Fair value measurement of biological assets		(1,670,438)	-
Finance costs		(65,218)	(72,598)
Other income		301,786	701,918
Net profit for the period before Zakat		5,276,110	11,503,262
Zakat	14.1	(802,280)	(860,216)
Net profit for the period		4,473,830	10,643,046
Other comprehensive income			
Items that will not be re-classified to profit or loss:			
Revaluation of investments at fair value through OCI		4,385	(3,163)
Total comprehensive income /(loss) for the period		4,385	(3,163)
Total comprehensive income for the period		4,478,215	10,639,883
Earnings per share basis attributable to Company's shareholders			
net profit for the period in Saudi Riyals	15	0.19	0.46

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Abdullah Mohammed Al-Shahri



Authorized BOD Member
Mohammed Yaqoub Al-Mokhdhab



Wafrah for Industry and Development Co.
A Saudi joint-stock company
Riyadh - Kingdom of Saudi Arabia
Interim condensed statement of changes in Shareholders' equity
For the three-month period ended March 31, 2025 (unaudited)
(Expressed in Saudi Riyals)


	Share capital	Reserve of valuation of investments at fair value	Actuarial gains / (losses) of re-measurement of employee defined benefits	Retained earnings	Total Shareholders' Equity
For the three-month period ended March 31, 2024					
Balance at January 01, 2024 (audited)	231,511,050	(854,462)	(612,489)	2,424,805	232,468,904
Net profit for the period	-	-	-	10,643,046	10,643,046
Other comprehensive loss for the period	-	(3,163)	-	-	(3,163)
Comprehensive income for the period	-	(3,163)	-	10,643,046	10,639,883
Balance at March 31, 2024 (unaudited)	231,511,050	(857,625)	(612,489)	13,067,851	243,108,787
For the three-month period ended March 31, 2025					
Balance at January 01, 2025 (audited)	231,511,050	(857,098)	863,001	7,464,778	238,981,731
Net profit for the period	-	-	-	4,473,830	4,473,830
Other comprehensive income for the period	-	4,385	-	-	4,385
Comprehensive income for the period	-	4,385	-	4,473,830	4,478,215
Balance at March 31, 2025 (unaudited)	231,511,050	(852,713)	863,001	11,938,608	243,459,946

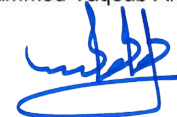
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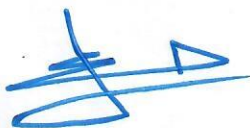


Wafrah for Industry and Development Co.
A Saudi joint-stock company
Riyadh - Kingdom of Saudi Arabia
Interim condensed statement of cash flows
For the three-month period ended March 31, 2025 (unaudited)
(Expressed in Saudi Riyals)

	For the three-month period ended 31/03/2025 (unaudited)	31/03/2024 (unaudited)
Cash flows from operating activities		
Net profit for the period	4,473,830	10,643,046
Adjustment to net profit for the period:		
Depreciation of property, plant and equipment	1,965,778	1,887,977
Depreciation of right-of-use assets	165,053	201,359
Profits from disposal of lease assets	-	(4,675)
Amortization of intangible assets	43,332	43,332
Gains from valuation of investments at fair value through profit or loss	(1,967,484)	(1,188,952)
Lease finance cost	65,218	72,598
Losses from fair value measurement of biological assets	1,670,438	-
Expected credit losses	112,867	1,892,903
Impairment of other receivables	52,102	-
Employees' defined benefit obligations	326,293	284,775
Zakat	802,280	860,216
	7,709,706	14,692,579
Changes during the period in:		
Inventory	2,719,875	(8,573,754)
Biological assets	(799,642)	-
Trade receivables	(24,579,669)	(20,737,395)
Prepayments and other debit balances	6,002,495	(2,710,963)
Trade payables	8,304,760	16,181,484
Accrued expenses and other credit balances	425,909	(3,541,267)
Other provisions - used	(277,411)	(637,708)
Zakat paid	(387,085)	(708,776)
Employees' defined benefit obligations - paid	(458,085)	(104,183)
Net cash flows from (used in) operating activities	(1,339,147)	(6,139,983)
Cash flows from investing activities		
Purchase of property, plant and equipment	(793,855)	(459,733)
Expenditures on capital work in progress	(2,611,760)	(1,996,290)
Recovered from investments at fair value through other comprehensive income	83,567	-
Net cash flows from (used in) investing activities	(3,322,048)	(2,456,023)
Cash flows from financing activities		
Payments of shareholders' accruals payables	(12,142)	(6,572)
Financing agreement liabilities - paid	(8,000,000)	(2,000,000)
Leases liabilities - paid	(265,986)	(172,850)
Net cash flows from (used in) financing activities	(8,278,128)	(2,179,422)
Net (decrease) in cash and cash equivalents	(12,939,323)	(10,775,428)
Cash and cash equivalents at beginning of the period	26,929,576	54,407,382
Cash and cash equivalents at end of the period	13,990,253	43,631,954
Supplemental information on non-cash transactions		
Right-of-use assets against lease obligations	-	(740,864)
Disposal of lease assets	-	95,315

The accompanying notes from (1) to (19) form an integral part of these interim condensed financial statements, which were approved by the Company's Board of Directors and signed on their behalf by the following:

Acting Chief Financial Officer
Mohammed Ibrahim Abu Ismail



Acting Chief Executive Officer
Abdullah Mohammed Al-Shehri



Authorized BOD Member
Mohammed Yaqub Al-Mokhdhab



Wafrah for Industry and Development Co.
A Saudi joint-stock company
Riyadh - Kingdom of Saudi Arabia
Notes to the interim condensed financial statements
For the three-month period ended March 31, 2025 (unaudited)
(Expressed in Saudi Riyals)

1. General Information

Wafrah for Industry and Development Co. ("the Company") is a Saudi joint-stock company, registered in Riyadh under commercial registration number 1010076996, issued on 24/10/1410 H (18/5/1990).

1.2 Main activities of the Company

Production of fresh, chilled, and frozen meat, manufacturing food products made from potatoes including (potato chips), producing breakfast cereals in the form of flakes including (cornflakes, chips, etc.), and manufacturing all types of pasta.

1.3 The condensed interim financial statements as of March 31, 2025, include the condensed interim financial statements of the company and its branches:

Name of branch	City	CR number	Date
Wafrah for Industry and Development Co.	Jeddah	4030108227	03/07/1415H
Wafrah for Industry and Development Co.	Dammam	2050028895	11/06/1415H
Wafrah for Industry and Development Co.	Khamis		21/05/1439H
Wafrah Pasta and Noodles Factory	Mushait	5855339110	
Branch of Wafrah for Industry and Development Co.	Riyadh	1010320947	02/01/1433H
Wafrah Foods Factory	Al-Kharj	1011016029	02/01/1433H
Wafrah Cereal Products Factory	Riyadh	1010320946	02/01/1433H
Wafrah Foods Factory	Riyadh	1010320952	02/01/1433H
Wafrah Frozen Vegetables Factory	Riyadh	1010320955	02/01/1433H
Branch of Wafrah for Industry and Development Co.	Riyadh	1010320956	02/01/1433H
Wafrah Foods Factory, a branch of Wafrah for Industry and Development Co.	Al-Kharj	1011016028	02/01/1433H
Wafrah for Industry and Development Co.	Riyadh	1010320953	02/01/1433H
	Tabuk	3550151951	10/11/1444H

1.4 The Company's fiscal year begins on January 1st and ends on December 31st of each calendar year. The presented interim condensed presented financial statements are for the period from January 01, 2025 to March 31, 2025.

2. Basis of preparation of interim condensed financial statements

2.1 Statement of compliance

These interim condensed financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" that is endorsed in Kingdom of Saudi Arabia and other standards issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

These interim condensed financial statements do not include all the information and notes required for the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2024.

2.2 Basis of measurement

The interim condensed financial statements have been prepared in accordance with the accrual basis of accounting and the going concern principle, and on the basis of the historical cost principle except for financial assets that are measured at fair value and financial liabilities that are measured at the present value of future obligations using the projected unit credit method.

2.3 Presentation currency

These interim condensed financial statements are presented in Saudi Riyals, which is the functional currency of the company. All amounts in the interim condensed financial statements are expressed in Saudi Riyals.

2.5 Use of judgments, estimates and assumptions

The preparation of these financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenue, expenses, assets, liabilities, and disclosures of contingent liabilities at the reporting date. Although these estimates are based on the best current information and indicators available to Management, the final actual results, however, may differ from these estimates.

These estimates and assumptions are reviewed on an ongoing basis and the effects arising from adjustment of the accounting estimates are recognized in the period in which such adjustment is made and the subsequent periods. The assumptions and estimates are particularly represented in the application of accounting policies that have significant impact on the amounts recognized in the financial statements.

The significant judgments made by Management in applying the Company's accounting policies and the significant sources of estimation uncertainties were the same as those applied to the financial statements for the year ended December 31, 2024.

Wafrah for Industry and Development Co.
A Saudi joint-stock company
Riyadh - Kingdom of Saudi Arabia
Notes to the interim condensed financial statements
For the three-month period ended March 31, 2025 (unaudited)
(Expressed in Saudi Riyals)

3. Material Accounting Policies

The accounting policies applied to these interim condensed financial statements are the same as those applied to the financial statements for the year ended 31 December 2024.

4. Changes in significant accounting policies and new standards

4.1 New and revised IFRS Standards that are applicable and have no significant impact on the financial statements

There are no new standards that have been applied; however, a number of amendments to standards have been effective from January 1, 2025, but they have no material impact on the company's financial statements. The following is a summary of the amendments applied by the Company:

Standard - Interpretation	Description	Effective date for financial statements beginning on or after
IAS 21	Amendments to the standard "Effects of Changes in Foreign Exchange Rates" related to the definition of a convertible currency and the estimation of the spot exchange rate when the currency is non-convertible, and the related disclosures.	1 January 2025
IFRS 9 and IFRS 7	Classification and measurement of financial instruments: These amendments: (a) Clarify the requirements related to the timing of recognition and derecognition of certain financial assets and liabilities, with a new exception for certain financial liabilities that are settled through electronic funds transfer systems; (b) Clarify and provide additional guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; (c) Add new disclosures for certain instruments that contain contractual terms that could change cash flows (such as certain instruments containing features linked to environmental, social, and governance (ESG) targets); (d) Update disclosures related to equity instruments designated at fair value through other comprehensive income.	1 January 2025

4.2 New and revised IFRS not yet effective and not applicable:

The following are standards and interpretations issued and not yet effective and not applicable as of the date of the financial statements:

Standard - Interpretation	Description	Effective date for financial statements beginning on or after
IFRS 18 Replacing IAS 1 and Consequential Amendments to IAS 8	IFRS 18 Replacing IAS 1 The Saudi Organization for Chartered and Professional Accountants has adopted IFRS 18 "Presentation and Disclosure in Financial Statements," which replaces IAS 1. The standard includes improvements to the structure of the profit or loss statement to provide more relevant and clear information, and develops specific requirements related to performance measures defined by management. The issuance of this standard has resulted in consequential amendments to IAS 8 regarding the basis for preparing financial statements and disclosure of significant accounting policy information and sources of estimation uncertainty. It has also led to amendments to IAS 7 concerning the presentation of cash flows from profits and returns from interest income and expenses, with specific requirements for entities whose primary activities are focused on investment or financing.	1 January 2027
IFRS 19	The Saudi Organization for Chartered and Professional Accountants has adopted IFRS 19 "Subsidiaries without Public Accountability: Disclosures." This standard primarily aims to provide a reduced level of disclosures in the financial statements of subsidiary companies that do not have public accountability, as an alternative to the disclosure requirements in the full International Financial Reporting Standards. The objective is to simplify the mechanisms and systems for preparing financial statements and reduce their costs.	1 January 2027

Wafrah for Industry and Development Co.
A Saudi joint-stock company
Riyadh - Kingdom of Saudi Arabia
Notes to the interim condensed financial statements
For the three-month period ended March 31, 2025 (unaudited)
(Expressed in Saudi Riyals)

5. Property, plant and equipment - net

	Buildings on leased lands *	Plant and equipment	Tools	Vehicles	Air conditions	Fittings and installation	Furniture and office equipment	Artesian wells	Total
Cost									
Balance as of January 01, 2025	79,936,843	203,014,299	24,220,455	7,826,787	6,815,800	6,067,002	5,439,179	220,816	333,541,181
Additions during the period	-	48,053	743,922	-	-	-	1,880	-	793,855
Balance at March 31, 2025	79,936,843	203,062,352	24,964,377	7,826,787	6,815,800	6,067,002	5,441,059	220,816	334,335,036
Accumulated depreciation									
Balance as of January 01, 2025	(54,455,693)	(162,879,722)	(20,337,930)	(6,965,668)	(6,167,954)	(4,930,317)	(4,451,021)	(149,665)	(260,337,970)
Charged during the period	(664,740)	(836,565)	(254,966)	(75,187)	(34,915)	(42,591)	(54,908)	(1,906)	(1,965,778)
Balance at 31 March 2025	(55,120,433)	(163,716,287)	(20,592,896)	(7,040,855)	(6,202,869)	(4,972,908)	(4,505,929)	(151,571)	(262,303,748)
Net book value on:									
March 31, 2025	24,816,410	39,346,065	4,371,481	785,932	612,931	1,094,094	935,130	69,245	72,031,288
December 31, 2024	25,481,150	40,134,577	3,882,525	861,119	647,846	1,136,685	988,158	71,151	73,203,211

* The buildings are constructed on lands leased under leases that expire during the years from 2035 to 2041.

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Notes to the interim condensed financial statements
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6. Capital work in progress

	31/03/2025 (unaudited)	31/12/2024 (audited)
Balance beginning of period/year	85,973,476	75,467,151
Additions during the period/year	2,611,760	10,789,243
Transferred to property and equipment	-	(282,918)
	88,585,236	85,973,476

* Capital work-in-progress represents production lines under construction.

7. Leases

7.1 Right-of-use assets – net

	31/03/2025 (unaudited)	31/12/2024 (audited)
Leasehold land		
Cost		
Balance at beginning of the period/year	6,123,550	5,640,636
Additions during the period/year	-	768,855
Disposals during the period/year	-	(285,941)
Balance at end of the period/ year	6,123,550	6,123,550
Accumulated depreciation		
Balance at beginning of the period/year	1,996,270	1,405,933
Depreciation for the period / year	165,053	780,964
Disposals during the period/year	-	(190,627)
Balance at end of the period/ year	2,161,323	1,996,270
Net carrying amount	3,962,227	4,127,280

	31/03/2025 (unaudited)	31/12/2024 (audited)
7.2 Lease liabilities		
Balance at beginning of the period/year	4,331,990	4,166,175
Additions during the period/year	-	768,855
Less: Paid during the period/year	(265,986)	(787,023)
Less: Disposal	-	(95,314)
Charged to finance cost	65,218	279,297
	4,131,222	4,331,990

Lease obligations were presented in the statement of financial position based on the current portion - within the current liabilities (which represents the payable portion within a year) and the non-current portion - within the non-current liabilities (which represents the remaining liability less the current portion) as follows:-

	31/03/2025 (unaudited)	31/12/2024 (audited)
7.2.1 Lease liabilities - non-current portion	3,688,001	3,783,341
7.2.2 Lease liabilities - current portion	443,221	548,649
	4,131,222	4,331,990

Wafrah for Industry and Development Co.
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Notes to the interim condensed financial statements
For the three-month period ended March 31, 2025 (unaudited)
(Expressed in Saudi Riyals)

8. Investments at FVTPL

	Equity percentage	31/03/2025 (unaudited)	31/12/2024 (audited)
East Asia Agricultural Development and Investment Company (8.1)	14.29%	2,839,546	2,839,546
Jannat Agricultural Investment Company - under liquidation (8.2)	11.10	-	-
Rakhaa Agricultural Investment Company (Note 8.3)	8.628%	15,674,442	13,706,958
		18,513,988	16,546,504

Movement of changes in fair value was as follows

	31/03/2025 (unaudited)	31/12/2024 (audited)
Balance at beginning of the period/year	16,546,504	15,018,528
Additions during the period/year	-	209,164
Profits from revaluation of investments at fair value during the period/year	1,967,484	1,318,812
Fair value at the end of the period/year	18,513,988	16,546,504

8.1 East Asia Agricultural Development and Investment Company

The cost of the investment in East Asia Agricultural Development and Investment Company (a closed Saudi joint stock company established in 2013) amounted to 10 million Saudi Riyals, representing 14.285% of the paid-up capital of 70 million Saudi Riyals. During 2018 and 2019, impairment losses were recognized for the full value of the investment, which made the fair value of this investment reach to zero Riyals from the end of 2019 until the end of 2023.

During 2024, due to East Asia Company collecting part of the amounts due to it, for which a court ruling was issued in its favor, the management determined the need to re-value the fair value of the investment. Accordingly, the fair value of the investment was estimated using the discounted expected cash flow model, resulting in revaluation gains as of December 31, 2024, amounting to 2,839,546 Saudi Riyals. The Company engaged Estidama Valuation Office (a certified valuer by the Saudi Authority for Accredited Valuers) with license number 4112000060 in the Economic Entities Valuation branch to prepare the fair value measurement study as of December 31, 2024. During the current period, management believes that there are no material changes affecting the fair value measurement of the investment.

The movement of changes in the fair value of East Asia Agricultural Development and Investment Company was as follows:

	31/03/2025 (unaudited)	31/12/2024 (audited)
Balance at beginning of the period/year	2,839,546	-
Profits from revaluation of investments at fair value through the period/year	-	2,839,546
Fair value at the end of the period/year	2,839,546	2,839,546

8.2 Jannat Agricultural Investment Company - under liquidation

The cost of the investment in Jannat Agricultural Investment Company (a Saudi limited liability company) amounted to 7.05 million Saudi Riyals, of which 7 million Riyals represent 11.1% of the paid-up capital of 63 million Saudi Riyals, in addition to 50 thousand Saudi Riyals as the company's share in incorporation expenses. During 2016 and 2017, valuation losses were recognized for the full value of the investment, which reduced the fair value of this investment to zero SR from the end of 2017 until now, as a result of the company's default. The legal counsel has advised that work is in progress to issue a declaration announcing the completion of the liquidation of Jannat Agricultural Investment Company and that there are no additional obligations due from the company.

The entry of Jannat Agricultural Investment Company into the liquidation stage led the partners in it to make a decision on March 6, 2018, to waive the investment in Rakhaa Agricultural Investment and Development Company, which owned 77.73% of its capital.

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8. Investments at fair value through profit or loss... (Continued)

8.3 Rakhaa Agricultural Investment Company (an unlisted Egyptian joint stock company)

- On December 31, 2019, and as a result of the decision to liquidate Jannat Agricultural Investment Company (Note 8.2), Jannat Agricultural Investment Company waived in favor of the company a number of 6.902 shares of Rakhaa Agricultural Investment Company (an unlisted Egyptian joint stock company) and they were proven at an amount of 1,612,717 Saudi Riyals and represent 8.628% of the capital of Rakhaa Agricultural Investment Company, which amounts to 80 million Egyptian pounds. Due to the lack of sufficient financial information and difficulty in determining the fair value of Rakha Agricultural Investment Company from the date of assignment until the end of 2022, management recognized valuation losses for the full value of the investment, which reduced the fair value of this investment to zero SR from the end of 2019 until the end of 2022. As a result of the availability of financial information for Rakha Agricultural Investment Company, management deemed it necessary to reassess the fair value of the investment at each financial reporting date since that time.

On May 07, 2024, the Board of Directors of Rakha Agricultural Investment Company approved an increase in the company's capital to become 100 million Egyptian pounds instead of 80 million Egyptian pounds, with an increase of 20 million Egyptian pounds through bank deposits from each shareholder according to their contribution to the capital before the increase. The Company has paid its share in the capital increase through its current account receivable from the related party.

As of March 31, 2025, the fair value of the investment was estimated using the discounted cash flow model, resulting in a revaluation loss of SR 1,967,484 compared to revaluation gains (2024: SR 1,188,952). The Company engaged an external consultant (Prime Capital for Promotion and Underwriting - an Egyptian company specialized in financial valuation and registered in the financial consultants registry at the Egyptian Financial Regulatory Authority) to prepare fair value measurement studies.

The movement of changes in the fair value of Rakhaa Agricultural Investment Company was as follows:

	31/03/2025 (unaudited)	31/12/2024 (audited)
Balance at beginning of the period/year	13,706,958	15,018,528
Addition to (Share capital increase)	-	209,164
(Losses) Profits from revaluation of investments at fair value during the period/year	1,967,484	(1,520,734)
Fair value at the end of the period/year	15,674,442	13,706,958

8.3.1 Debt transfer obligation

In 2009, Rakha Agricultural Investment and Development Company obtained a loan of 100 million Saudi Riyals from the Saudi Industrial Development Fund ("SIDF") under a financing agreement secured by guarantees provided by its shareholders. On December 30, 2024, and according to a debt transfer agreement, an arrangement was made between the Saudi Industrial Development Fund, Rakha Agricultural Investment Company, and the shareholders of Rakha Agricultural Investment Company (including Wafrah Industry and Development Company with its 8.628% stake), with their approval to transfer all obligations arising from the financing agreement and the entire debt to the shareholders of Rakha Agricultural Investment Company, each according to their ownership percentage in the company's capital. Accordingly, the Company committed to pay an amount of 7,027,598 Saudi Riyals to the Saudi Industrial Development Fund, due on 01/01/2027. Consequently, the entire obligation has been presented under non-current liabilities.

	31/03/2025 (unaudited)	31/12/2024 (audited)
Loan guarantee provision for Rakha Investment Company		
Balance at beginning of period/year	7,027,598	-
Transferred from loan guarantee provision	-	6,717,888
Debt transfer expenses	-	309,710
	7,027,598	7,027,598

9. Investments at fair value through other comprehensive income (FVOCI)

Quoted investments	Headquarters	Number of shares	31/03/2025 (unaudited)	31/12/2024 (audited)
		2025 2024		
Yanbu National Petrochemical Company (YANSAB)	Kingdom of Saudi Arabia	10,545 10,545	365,911	398,601
Al Mousa Health Company	Kingdom of Saudi Arabia	1,598 1,598	240,020	286,512
			605,931	685,113

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9. Investments at fair value through other comprehensive income (FVOCI)... (Continued)

9.1 Movement of changes in fair value was as follows:

	31/03/2025	31/12/2024
	(unaudited)	(audited)
Balance at beginning of the period/year	685,113	401,237
Additions during the period/year	-	286,512
Recovered from subscription in Al-Mousa Health Company	(83,568)	-
Profits/(Losses) from revaluation of investments at fair value during the period/year	4,386	(2,636)
Fair value at the end of the period/year	605,931	685,113

- Investments at fair value through other comprehensive income in listed companies were valued according to the announced share prices on March 31, 2025. Note (17) contains information about fair value.

	31/03/2025	31/12/2024
	(unaudited)	(audited)
10. Trade receivables - net		
Trade receivables	101,714,585	77,134,916
(Less): Provision for expected credit losses (note 10.1)	(13,089,404)	(12,976,537)
	88,625,181	64,158,379

10.1 Movement in provision for expected credit losses:

	31/03/2025	31/12/2024
	(unaudited)	(audited)
Balance at beginning of period/year	12,976,537	10,784,924
Provided during the period/year	112,867	2,191,613
Balance at end of period	13,089,404	12,976,537

11. Related party transactions

11.1 Due from related parties

Related parties	Nature of relationship	31/03/2025	31/12/2024
		(unaudited)	(audited)
Rakhaa Agricultural Investment Company- an Egyptian joint-stock company	Affiliate	967,409	967,409

The following are the details of compensation and rewards for non-executive Board members and senior management:

	31/03/2025	31/03/2024
	(unaudited)	(unaudited)
11.2 Non-executive Board members and senior management		
Salaries and compensation allowances	542,961	810,912
Annual and periodic bonuses	862,500	507,188
	1,405,461	1,318,100

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12. Share capital

The Company's capital amounts to SR 231,511,050 divided into 23,151,105 shares with a nominal value of SR 10 per share, as follows:

Shareholder	Percentage	Number of shares	Value of share SR	31/03/2025 (unaudited)	31/12/2024 (audited)
	%				
Miras Al Sharqiya Investment Company (Single-shareholder company)	25.57%	5,919,274	10	59,192,740	59,192,740
Different shareholders	74.43%	17,231,831	10	172,318,310	172,318,310
	100%	23,151,105		231,511,050	231,511,050

During 2020, the Company's capital was reduced to offset accumulated losses, becoming SR 77,170,350. During 2022, the Company's capital was increased through a rights issue to become SR 231,511,050 with a total number of 23,151,105 shares at a value of SR 10 per share.

13. Employee defined benefit obligations

The company operates a defined end-of-service plan for its employees in line with the Labor Law requirements in the Kingdom of Saudi Arabia. The EOS payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment. Employee benefit plans are unfunded plans and the Company meets benefit payment obligations when they fall due. The movement during the period was as follows:

	31/03/2025 (unaudited)	31/12/2024 (audited)
Balance at beginning of the period/year	6,899,694	7,964,501
Cost of current service for the period / year	326,293	1,053,579
Financing costs during the period / year	-	363,181
Charged to profit or loss during the period/year	326,293	1,416,760
Paid during the period/year	(458,085)	(1,006,077)
Actuarial losses "charged to other comprehensive income"	-	(1,475,490)
Balance at end of the period/ year	6,767,902	6,899,694

The Company performed an actuarial valuation of employee future benefits on December 31, 2024 and recorded the impact of that valuation. The Company's Management has not carried out an actuarial valuation of the employee benefit obligations for the three-month period ended March 31, 2025, as it expects that there will be no significant changes in the present value of the obligations.

14. Zakat provision

14.1 Movement in Zakat

	31/03/2025 (unaudited)	31/12/2024 (audited)
Balance beginning of period/year	4,185,792	5,881,171
Paid during the period/year	(387,085)	(4,348,618)
Provided for during the period/year	802,280	2,653,239
Balance at end of the period/ year	4,600,987	4,185,792

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14.2 Zakat status

The Company submitted its Zakat declaration for the year ended December 31, 2024, and has not received a certificate as of the date of approval of the condensed interim financial statements.

- During 2018, the Authority issued preliminary assessments for the years from 2008 to 2011. Based on these assessments, the Company objected to them and received the revised Zakat assessment, which resulted in Zakat differences amounting to SR 4,021,425. The Zakat differences were recognized within the estimated Zakat provision for 2018.

During 2020, the Zakat, Tax and Customs Authority issued preliminary assessments for the years from 2014 to 2018. Based on these assessments, the Company objected to them and received the revised Zakat assessment, which resulted in Zakat differences amounting to SR 3,582,039. The Company objected to the revised Zakat assessment and received a revised Zakat assessment of SR 2,728,946. The Company objected to it and filed a case with the General Secretariat of Tax Committees "Primary Committee for Resolution of Tax Violations and Disputes" and a decision was issued by the committee. The Company filed an appeal for the years 2014 to 2018. During 2023, a decision was issued by the First Appellate Division for Income Tax Violations and Disputes rejecting the Company's appeal and upholding the decision of the Resolution Division. This decision is considered final in accordance with the provisions of (Articles 47, 48) of the rules of work of the committees for resolution of tax violations and disputes. The Zakat differences were recognized within the estimated Zakat provision for 2021. During 2024, an amount of SR 1,680,605 was paid from the Zakat due for the years from 2014 to 2018 and an amount of SR 2,668,013 from Zakat for 2023.

- During 2021, a Zakat assessment was issued by the Zakat, Tax and Customs Authority for the years 2019 to 2020, which resulted in Zakat differences amounting to SR 483,478, and the differences were paid during the same year.

14.3 Value Added Tax

The Company files VAT returns on a monthly basis. It submitted December 2024 return and paid the amount during the subsequent period.

15. Basic and diluted earnings per share

Basic earnings per share have been calculated by dividing the net profit for the period attributable to the company's shareholders over the weighted average number of shares issued. The diluted earnings per share are equal to the basic earnings per share as follows:

	FOR THE THREE-MONTH PERIOD ENDED 31 MARCH	
	2025 (unaudited)	2024 (unaudited)
Net profit attributable to Company's Shareholders	4,473,830	10,643,046
Weighted average number of shares issued in "Saudi Riyal"	23,151,105	23,151,105
Basic and diluted earnings per share attributable to the Company's Shareholders	0.19	0.46

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16. Segment information

The company's main activities consist of several sectors, including the manufacturing and sale of various types of pastries, the sale of vegetables, the production of breakfast cereals, and the manufacturing and sale of meat products. The company conducts its operations within the Kingdom of Saudi Arabia.

The following is a summary of key financial information for the main business segments for the three-month period ended 31 March 2025 (compared to the three-month period ended 31 March 2024):

Interim statement of profit or loss for the period ended 31 March 2025 (unaudited)

Items of statement of profit or loss	Pastries Sector	Vegetables Sector	Breakfast Cereal Sector	Meat Sector	Other activities	Total
Revenue - net	16,499,073	28,783,284	1,518,412	10,692,658	-	57,493,427
Cost of revenue	(8,301,066)	(22,206,495)	(1,044,740)	(9,463,464)	-	(41,015,765)
Gross profit	8,198,007	6,576,789	473,672	1,229,194	-	16,477,662
Selling and marketing expenses	(1,528,097)	(4,029,868)	(187,653)	(1,699,375)	-	(7,444,993)
General and administrative expenses	(846,621)	(2,233,101)	(103,966)	(941,516)	-	(4,125,204)
Expected credit losses	(32,390)	(56,505)	(2,981)	(20,991)	-	(112,867)
Impairment of other receivables	(14,952)	(26,084)	(1,376)	(9,690)	-	(52,102)
Operating profit /(loss)	5,775,947	231,231	177,696	(1,442,378)	-	4,742,496
Profits of valuation of investments at fair value through profits or losses	-	-	-	-	1,967,484	1,967,484
Loss from fair value measurement of biological assets	-	-	-	-	(1,670,438)	(1,670,438)
Finance costs	(18,716)	(32,651)	(1,722)	(12,129)	-	(65,218)
Other income	93,360	146,714	7,933	53,779	-	301,786
Net profit for the period before Zakat	5,580,591	345,294	183,907	(1,400,728)	297,046	5,276,110
Zakat	(248,192)	(390,030)	(21,089)	(142,969)	-	(802,280)
Net profit for the period	5,602,399	(44,736)	162,818	(1,543,697)	297,046	4,473,830

Interim statement of profit or loss for the period ended 31 March 2024 (unaudited)

Items of statement of profit or loss	Pastries Sector	Vegetables Sector	Breakfast Cereal Sector	Meat Sector	Other activities	Total
Revenue - net	14,561,471	34,356,841	1,645,249	3,551,130	-	54,114,691
Cost of revenue	(6,222,192)	(21,243,653)	(1,684,425)	(2,989,617)	-	(32,139,887)
Gross profit	8,339,279	13,113,188	(39,176)	561,513	-	21,974,804
Selling and marketing expenses	(1,630,677)	(3,847,475)	(184,244)	(397,676)	-	(6,060,072)
General and administrative expenses	(1,166,980)	(2,753,413)	(131,853)	(284,593)	-	(4,336,839)
Expected credit losses	(509,352)	(1,201,784)	(57,550)	(124,217)	-	(1,892,903)
Operating profit /(loss)	5,032,270	5,310,516	(412,823)	(244,973)	-	(9,684,990)
Profits of valuation of investments at fair value through profits or losses	-	-	-	-	1,188,952	1,188,952
Finance costs	(19,535)	(46,091)	(2,207)	(4,765)	-	(72,598)
Other income	188,876	445,641	21,340	46,061	-	701,918
Net profit (loss) for the period before Zakat	5,201,611	5,710,066	(393,690)	(203,677)	1,188,952	6,301,651
Zakat charge	(231,472)	(546,142)	(26,153)	(56,449)	-	(860,216)
Net profit (loss) for the period	4,970,139	5,163,924	(419,843)	(260,126)	1,188,952	10,643,046

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17. Fair value

Fair value is the obligation for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. Since the Company's financial statements are prepared under the historical cost principle differences may arise between the carrying amount and the fair value estimates. The Company's Management believes that the fair value of the Company's financial assets and liabilities approximates their carrying balances.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When measuring fair value, the Company uses observable market information whenever possible. Fair values are categorized into different levels in the fair value hierarchy based on the inputs used in the valuation methods as follows:

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If multiple inputs used to measure fair value are categorized into different levels of the fair value hierarchy, the Fair Value Measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period in which the change occurred. During the period there were no transfers between the fair value levels of Level 1 and Level 2.

The company's financial instruments are aggregated based on the historical cost principle, except for investments and financial derivatives, which are carried at fair value. Differences may arise between the carrying value and the estimated fair value. Management believes that the fair values of the company's financial assets and liabilities do not differ materially from their carrying values.

The financial assets measured at fair value are as follows:

Assets	Level 1	Level 2	Level 3	Total
Investments at fair value through other comprehensive income	-	-	18,513,988	18,513,988
Investments at fair value through profits or losses	605,931	-	-	605,931
Total financial assets at fair value	605,931	-	18,513,988	19,119,919

Interest rate risk (currencies)

Interest rate risk (commissions) represents the risk related to the effects of fluctuations in interest rates (commissions) prevailing in the market to the Company's financial position and its cash flows.

Commodity price risk

Commodity price risk is the risk associated with changes to the prices of certain commodities to which the Company is exposed as a result of adverse impact on the Company's costs and cash flows. This commodity price risk arises from the expected purchases of commodities or the services which the Company is expected to receive.

18. Subsequent events

Management believes that there are no significant subsequent events from the date the interim condensed statement of financial position at 31 March 2025 until the date of approval of the financial statements that may have a material impact on the interim condensed financial statements.

19. Approval of interim condensed financial statements

The interim condensed financial statements for the period ended March 31, 2025 were approved by the Company's Board of Directors on 17 Dhual-Qa'dah 1446 Corresponding to 15 May 2025.