DEVELOPMENT WORKS FOOD COMPANY
(SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)
TOGETHER WITH THE INDEPENDENT
AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH AND NINE-MONTH
PERIODS ENDED 30 SEPTEMBER 2022

DEVELOPMENT WORKS FOOD COMPANY
(SAUDI JOINT STOCK COMPANY)
INDEX OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2022

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Report on review of condensed consolidated interim financial statements

To the Shareholders of Development Works Food Company
(A Saudi Joint Stock Company)
Riyadh - Saudi Arabia

Introduction:
We have reviewed the accompanying condensed consolidated interim statement of financial position of **Development Works Food Company** ("The company") and its subsidiary ("the Group") as at 30 September 2022,and the condensed consolidated interim statement of comprehensive income, for the three-month and nine-month periods ended 30 September 2022, and the condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended, and notes to the condensed consolidated interim financial statements, including a summary of significant accounting policies and other explanatory information.
Management is responsible for the preparation and presentation for these condensed consolidated interim financial statements in accordance with International Accounting Standard (34) "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review:
We conducted our review in accordance with International Standard on Review Engagements (2410) "Review of interim financial information performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim 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 in Auditing, as 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 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard IAS 34, "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia.

For Al-Kharashi Co.

Abdullah S. Al Msned
License No. (456)

Certified Accountants
& Auditors
AL-Kharashi Co.

Riyadh:

12 Rabi' II 1444
6 November 2022

DEVELOPMENT WORKS FOOD COMPANY
(SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED STATEMENT OF INTERIM FINANCIAL POSITION
AS AT SEPTEMBER 30,2022
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Note	Sep 30,2022 (unaudited)	December31,2021 (Audited)
Assets			
Non-current assets:			
Property, plant and equipment, Net	4	29,711,071	36,040,110
Intangible assets, Net	5	178,104	298,235
Capital work in progress	6	3,204,003	2,171,896
Investment in associate		176,578	176,578
Right -of- use assets, Net	7-a	18,988,789	28,531,660
Total non-current assets		52,258,545	67,218,479
Current assets:			
Inventory		7,119,040	7,024,518
Trade receivables		5,595,430	6,027,590
Prepayments and other debit balances	8	16,343,859	11,976,681
Due from related parties	14	175,005	216,009
Cash and cash equivalents	9	1,936,116	7,042,690
Total current assets		31,169,450	32,287,488
Total assets		83,427,995	99,505,967
Equity and Liabilities			
Equity			
Share capital	10	30,000,000	30,000,000
Statutory reserve	11	723,931	723,931
Employees defined benefit obligations remeasurement reserve		(360,004)	(360,004)
Retained earning		3.390.667	2,199,728
Total shareholders' equity of the parent		33,754,594	32,563,655
Non-controlling interest		812,003	502,298
Total Equity		34,566,597	33,065,953
Liabilities			
Non-current liabilities:			
Long-term loans	12	17,702,364	17,702,364
Finance leases liabilities	13	475,615	475,615
Leases liabilities	7-b	11,583,052	11,452,250
Employees defined benefit obligations		2,066,773	1,719,481
Total non-current liabilities		31,827,804	31,349,710
Current liabilities:			
Short-term loans	12	1,487,453	13,906,445
Finance leases liabilities	13	142,247	644,892
Leases liabilities	7-b	4,071,414	11,781,950
Trade payables		6,297,786	5,127,444
Accrued expenses and other credit balance	15	4,815,764	3,325,983
Zakat provision		218,930	303,590
Total current liabilities		17,033,594	35,090,304
Total liabilities		48,861,398	66,440,014
Total equity and liabilities		83,427,995	99,505,967

Salah Shahin	Hisham Abdelrahman Al Mogren	Ashry Saud Ashry
CFO	CEO	Chairman of Board of Directors

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

DEVELOPMENT WORKS FOOD COMPANY
(SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2022
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED

		For the three-month period ended 30 September		For the Nine-month period ended 30 September	
		2022	2021	2022	2021
	Note	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales, Net	16	**24,744,341**	33,163,206	**78,772,600**	77,578,804
Cost of sales		**(22,181,154)**	(29,390,821)	**(70,986,251)**	(65,474,367)
Gross profit		**2,563,187**	3,772,385	**7,786,349**	12,104,437
General and administrative expenses		**(2,815,602)**	(3,488,448)	**(8,462,916)**	(10,120,669)
Operating (loss)/ profit		**(252,415)**	283,937	**(676,567)**	1,983,768
Finance cost		**(207,059)**	(293,488)	**(828,601)**	(960,883)
Other income		**1,048,616**	817,945	**3,244,273**	2,937,214
Profit for the period before zakat		**589,142**	808,394	**1,739,105**	3,960,099
Zakat		**(86,153)**	(30,235)	**(238,461)**	(150,705)
Profit for the period		**502,989**	778,159	**1,500,644**	3,809,394
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		**502,989**	778,159	**1,500,644**	3,809,394
Total comprehensive income for the period attributable to:					
Shareholders on parent company		**442,661**	770,113	**1,190,939**	3,434,792
Non-controlling interest		**60,328**	8,046	**309,705**	374,602
		502,989	778,159	**1,500,644**	3,809,394
Earnings per share					
Basic earnings per share from net profit for the period	17	**0.15**	0.26	**0.40**	1.14

Salah Shahin	Hisham Abdelrahman Al Mogren	Ashry Saad Ashry
CFO	CEO	Chairman of Board of Directors

DEVELOPMENT WORKS FOOD COMPANY
(SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Share capital	Statutory reserve	Employees defined benefit obligations remeasurement reserve	Retained earnings	Total shareholders' equity of the parent	Non-controlling interest	Total equity
Balance as of 1 January 2021 (Audited)	**25,000,000**	**2,443,389**	**(55,483)**	**3,131,611**	**30,519,517**	**392,303**	**30,911,820**
Transferred to increasing capital	5,000,000	(1,923,872)	-	(3,076,128)	-	-	-
Dividends distributed	-	-	-	-	-	(212,491)	(212,491)
Adjustment on Non-controlling interest	-	-	-	-	-	(6,202)	(6,202)
Net Profit for the period	-	-	-	3,434,792	3,434,792	374,602	3,809,394
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for period	-	-	-	3,434,792	3,434,792	374,602	3,809,394
Balance as of 30 September 2021(unaudited)	**30,000,000**	**519,517**	**(55,483)**	**3,490,275**	**33,954,309**	**548,212**	**34,502,521**
Balance as of 1 January 2022(Audited)	30,000,000	723,931	(360,004)	2,199,728	32,563,655	502,298	33,065,953
Net Profit for the period	-	-	-	1,190,939	1,190,939	309,705	1,500,644
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for period	-	-	-	1,190,939	1,190,939	309,705	1,500,644
Balance as of 30 September 2022(unaudited)	**30,000,000**	**723,931**	**(360,004)**	**3,390,667**	**33,754,594**	**812,003**	**34,566,597**

Salah Shahin	Hisham Abdelrahman Al Mogren	Ashry Saad Ashry
CFO	CEO	Chairman of Board of Directors

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

DEVELOPMENT WORKS FOOD COMPANY
(SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	For the Nine months period ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit before zakat	1,739,105	3,960,099
Adjustments to reconcile the net profit for the period before zakat to the net flow cash generated from operating activities:		
Depreciation of property and equipment	7,332,844	7,175,017
(Gain) losses from sale of property, plant, & equipment	(189,513)	55,100
Amortization of intangible assets	120,131	196,095
Amortization of right of use	9,966,674	9,409,449
Employee defined benefit obligation expenses	730,450	510,753
	19,699,691	21,306,513
Working capital adjustments:		
Trade receivables and Prepayments and other debit balances	(3,935,018)	(7,035,438)
Inventory	(94,522)	(1,552,258)
Trade payables and Accrued expenses and other credit balances	2,660,123	(255,627)
Due from related parties	41,004	(1,012,795)
Cash generated from operating	18,371,278	11,450,395
Employee defined benefit obligation payment	(383,157)	(361,519)
Zakat paid	(323,123)	(94,745)
Net cash flow generated from operating activities	17,664,998	10,994,131
Cash flows from investing activities		
Additions to property, plant, and equipment	(1,134,280)	(761,359)
Proceeds from sale of property, plant, and equipment	783,241	800,438
Additions to capital work in progress	(1,495,359)	(2,716,004)
Net cash flow (used) in investing activities	(1,846,398)	(2,676,925)
Cash flows from financing activities		
Dividends on non-controlling interest	-	(212,491)
Adjustment on non-controlling interest	-	(6,202)
Changes in loans	(12,418,992)	(1,758,898)
Change in Finance lease liabilities payment	(502,645)	(404,976)
Additions to right of use	-	(1,419,585)
lease liabilities paid	(8,003,537)	(7,630,658)
Net cash flow (used) in financing activities	(20,925,174)	(11,432,810)
Net change in cash and cash equivalents	(5,106,574)	(3,115,604)
Cash and cash equivalents at the beginning of the period	7,042,690	9,999,203
Cash and cash equivalents at the end of the period	1,936,116	6,883,599

*** Non cash transactions:**

Transferred from capital work in progress to property, plant, and equipment amounted to	463,252	1.981.883

Salah Shahin	Hisham Abdelrahman Al Mogren	Ashry Saad Ashry
CFO	CEO	Chairman of Board of Directors

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

1. GENERAL INFORMATION

Development Works Food Company (the Company) was established as a Saudi joint stock company (a limited liability company previously), registered in Riyadh, Kingdom of Saudi Arabia with commercial registration No. 1010290779 dated 16 Rajab 1431 (27 June 2012). The partners decided on 24 Muharram 1438 (25 October 2016) to change the legal entity of the Company from a limited liability company to a joint stock company. The related statutory procedures were completed during the year.

Saudi Exchange (Tadawul) announced that Development Works Food Company's shares have been listed and started trading in the parallel market (Nomu) with code 9501, with a fluctuation rate of 20% per share, on 29 Jumada Al-Awal 1438 (26 February 2017).

Saudi Exchange (Tadawul) announced that the trading of the shares of Development Works Food Company has been listed and started on the main market (TASI) with the code 6013, with a fluctuation rate of 10% per share, on the date of 18 Rabii Thani 1443 (23 November 2021).

The Company's activity is represented in refrigerated and frozen goods stores (cold warehouses), restaurants with service, food preparation kiosks, beverage outlets (coffee shops), fresh juices and cold drinks, and other activities related to real estate activities in owned or leased properties and import and export activities.
The accompanying consolidated financial statements include the above-mentioned activities and branches' commercial registrations as follows:

Number	Branch location	Branch name	Commercial registration No.	Date
1	Riyadh	Juice time restaurant	1010318984	24/11/1432 H
2	Riyadh	Juice time restaurant	1010377850	25/07/1434 H
3	Riyadh	Development Works Food Company Branch Restaurant	1010437862	24/12/1436 H
4	Riyadh	Juice time restaurant	1010553050	25/04/1437 H
5	Riyadh	Juice time restaurant	1010484571	06/10/1437 H
6	Riyadh	Juice time restaurant	1010484634	07/10/1437 H
7	Riyadh	Juice time restaurant	1010554453	01/01/1438 H
8	Riyadh	Juice time restaurant	1010554459	01/01/1438 H
9	Riyadh	Juice time restaurant	1010555307	10/01/1438 H
10	Riyadh	Juice time restaurant	1010555683	15/01/1438 H
11	Riyadh	Juice time restaurant	1010686736	28/06/1444 H
12	Riyadh	Development Works Food Company Branch	1010610222	10/11/1438 H
13	Jeddah	Development Works Food Company Branch	4030295880	10/11/1438 H
14	Jeddah	Development Works Food Company Branch	4030295881	10/11/1438 H
15	Jeddah	Development Works Food Company Branch	4030295883	10/11/1438 H
16	Jeddah	Development Works Food Company Branch	4030295885	10/11/1438 H
17	Khamis Mushait	Development Works Food Company Branch	5855346150	13/04/1441 H
18	Khamis Mushait	Development Works Food Company Branch	5855346149	13/04/1441 H
19	Ahad rafidah	Development Works Food Company Branch	5857528011	13/04/1441 H

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

1. GENERAL INFORMATION (CONTINUED)

The consolidated financial statements for the year ended December 31, 2021, include the activities of the parent company and the following subsidiary company (the company and its subsidiary company hereinafter referred to as the "Group").

Name of subsidiary	Main activity	Commercial registration No.	Ownership percentage
Al-Feddan Fruits and Vegetables Company	The Company is engaged in the sale of fruits, vegetables, dates and retail sale of fresh and preserved fruits and vegetables and dates	1010454082	70%

- Head office of the parent company is in Riyadh - 2181 Dammam Road - Al Yarmouk District, Unit No. 69, Riyadh, Zip Code 13243, additional number 7830, Saudi Arabia.

2. BASIS OF PREPARATION

2-1 Statement of Compliance

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with International Accounting Standard IAS 34 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the Group's last annual Consolidated Financial Statements for the year ended 31 December 2021.

They do not include all the information normally required for a complete set of Consolidated Financial Statements; however, accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since 31 December 2021.

2-2 Accounting basis

Consolidated financial statements are prepared in accordance with the principle of historical cost and using Accrual basis and the concept of continuity of activity, excluding financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss and investments in associate companies which are recorded in accordance with the method of equity.

2-3 The basis for consolidating

Subsidiaries are entities controlled by the Company. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable are taken into account. Subsidiaries are consolidated from the date of acquisition (the date the company obtains control) and continue to be consolidated until the date control ceases.

All intra-company balances, transactions, expenses, profits, and losses arising from intra-company transactions and included in assets are eliminated in full. Also, any unrealized gains or losses arising from intra-company transactions are eliminated on consolidation. The accounting policies adopted in the subsidiaries are amended when necessary to ensure consistency with the policies adopted in the group. The Group and its subsidiary prepare their financial statements for the same reporting periods.

The non-controlling interest is measured in proportion to its share of the controlling company's net assets at the acquisition date. The share of non-controlling interests in net profit or loss as well as the share in net assets are presented as separate items in the consolidated statement of comprehensive income and the consolidated statement of changes in equity, respectively.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsidiaries

Subsidiaries are consolidated from the date they begin to control and until they cease to exercise that control. The group accounts for the aggregation of the business using the acquisition method when the control of the group is transferred. The converted compensation in the acquisition is generally measured at fair value, as is the case with the net identifiable assets acquired. The increase in the cost of acquisition plus the fair value of non-controlling property rights is recorded over the fair value of the net identifiable assets acquired as a reputation in the consolidated financial position statement. Non-controlling equity is measured by its share of net assets identifiable to the company acquired at the date of acquisition. The share in profit or loss and net assets not controlled by the Group is listed as a separate item in the consolidated profit or loss and income statement and within the equity in the consolidated financial position statement. Both transactions as well as unrealized balances, profits and losses resulting from transactions between group companies are excluded. Accounting policies of subsidiaries are adjusted if necessary, to ensure that they comply with the policies of the Group.

2-4 Financial instruments

Classification

The Company classified its financial assets into group loans and receivables. The classification of the financial asset depends on the purpose of its acquisition, and management performs this classification upon initial recognition of the financial assets.

Loans and debts

Loans and receivables are non-derivative financial assets with fixed or determinable repayment dates that are not quoted in an active market. The financial assets in that company are presented as current assets if they are expected to be recovered within 12 months at most from the end of the financial period. The company's loans and debts consist of "trade and other debit balances", "due from related parties" and "cash and cash equivalents" in the consolidated statement of financial position.

Recognition and Initial Measurement

A financial asset is recognized when the company becomes a part of the contractual of the financial asset.

The initial measurement of the acquisition of a financial asset at fair value in addition to other costs directly related to the execution of the transaction, except for financial assets that are classified at fair value through profit or loss, where they are initially measured at fair value only, and all other costs associated with executing the transaction are charged to the statement of profit or losses.

Subsequent measurement

Subsequent measurement of financial assets at fair value through profit or loss is carried out at fair value. The increase or decrease in the fair value during the year is recognized in the statement of profit or loss in other profits / (losses) - net.

The financial assets available for sale are subsequently measured at fair value. The increase or decrease in the fair value during the year is recognized in other comprehensive income.

Loans and receivables as well as held-to-maturity financial assets are subsequently measured at amortized cost using the effective interest rate. The interest calculated in the statement of profit or loss is recognized within the finance income / (costs) - net.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition

The financial asset is derecognized when the contractual contract to obtain cash flows from the financial asset has expired, or the company has substantially transferred the risks and rewards of ownership of the financial asset.

The financial asset is disposed of at its carrying amount on the date of disposal, and the gain (loss) on disposal is recognized in the statement of profit or loss.

The gain (loss) on disposal of a financial asset is the difference between the carrying amount at the date of disposal and the proceeds from disposal of a financial asset.

Offsetting between an asset and a financial liability

A financial asset and a financial liability are offset and the net set-off is presented in the statement of financial position when the company has the legally enforceable right to set off the recognized amounts and the company intends either to make a settlement on the basis of the net amounts or to recognize the asset and settle the liability at the same time. The company's legal right to set-off is enforceable. It must be when a future event occurs, which is often the failure of the other party, and it must reflect the company's normal practices, the requirements of financial markets, and other circumstances related to considerations of the risk and timing of the company's cash flows.

2-5 Impairment of financial assets

At the end of each financial period, the Company assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. The value of a financial asset or group of financial assets declines, and losses resulting from impairment are charged only if there is objective evidence of impairment as a result of the occurrence of one or more events after the initial recognition of the asset (a loss event) and this event or these events had an impact that can be reliably evaluated on expected financial flows from the financial asset or group of financial assets.

Objective evidence of impairment includes significant financial difficulties facing the debtors or a group of debtors, violation of contract terms such as non-payment of interest or principal, or the expectation of the debtor's bankruptcy or restructuring, or when there are clear data indicating a measurable decrease in future cash flows. Expected from a group of financial assets since the initial recognition or when national or local conditions are related to cases of non-payment of the company's assets.

With regard to loans and debts. The value of the loss is measured as the difference between the asset's carrying amount and the present value of future cash flows (excluding future credit losses that were not incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly and the loss is recognized in the statement of profit or loss. Debts that are not expected to be collected are canceled by deduction from the provision formed for them and any subsequent collections are recognized as revenue in the statement of profit and loss.

If the loan or investment held to maturity has a variable exchange rate, the rate of uncollected debts is canceled by deduction from the provision formed for it and any subsequent collections are recognized as income in the statement of profit and loss. If a loan or held-to-maturity investment has a variable exchange rate, the discount rate for measuring any impairment losses is the current effective interest rate determined under the contract. As an effective practice, the company may measure the impairment of a financial asset on the basis of the fair value of the asset using an observable market price. If in any subsequent period, the decrease in the impairment loss can be related objectively to an event occurring after the impairment loss was recognized (for example, an improvement in the creditworthiness of the debtor), the recognized impairment loss is reversed directly in the statement of profit or loss.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2-6 Lease contracts

The Group has recognized new assets and liabilities for operating leases for leases of restaurant sites and others. Each lease payment is distributed between the liabilities and the finance cost. The finance cost is charged to the statement of comprehensive income over the term of the contract to result in a constant interest rate on the remaining balance of the liabilities for each period. Right of use is amortized over the useful life of the asset or the term of the lease, whichever is shorter, on a straight line basis.

The assets and liabilities arising from the lease are initially measured at present value.

a) Right to use assets is measured at cost, which includes:

- The amount of the initial measurement of the right-to-use liability of the asset;
- Any initial direct costs;
- Renewal costs.

Obligations relating to the right-of-use asset include the following net present value of lease payments:

- Fixed payments (including in substance fixed payments), less any lease incentives;
- Variable lease payments that are based on an index or rate;
- Amounts expected to be paid by the Group as a lessee under residual value guarantees;
- Payments of fines for terminating the contract, if the lease term.

The lease payments are discounted using the incremental borrowing rate which is the price that the lessee would pay to borrow the money needed to obtain an asset of similar value in a similar economic environment on similar terms and conditions.

b) Payments related to short-term leases of 12 months or less and low-value leases on a straight-line basis are recognized as an expense in the statement of comprehensive income.

2-7 Measuring of right of the use assets

Right of use is measured at the same amount as right of use liability of the leased assets, adjusted for the lease accrued and the lease paid in advance.

2-8 Property, Plant, and equipment

Property, plant, and equipment appear at cost minus accumulated depreciation and losses, if any, accumulated depreciation. This cost includes the cost of replacing part of the property, facilities, equipment and borrowing costs related to long-term construction projects if the stability criteria are met and for assets that are established internally the cost of the asset includes the cost of the asset, the direct employment and other direct costs required by the processing to the situation in which it is operated on site and in the purpose for which it was acquired. If significant parts of property, plant, and equipment are required to be replaced in stages, the Group consumes these parts independently over their productive life, and in turn, when a major examination is carried out, the cost of the book value of the equipment is proved as a replacement if the proof criteria are met.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All other repair and maintenance costs are fixed in the consolidated profit or loss statement and other consolidated comprehensive income when incurred. The current value of the projected cost of removing a post-use asset is included within the cost of the asset in question, if the stability criteria for proof of custom, owned land consumed, depreciation on the consolidated profit or loss statement and comprehensive income are consolidated in a fixed premium manner over the estimated productive life of the asset as follows:

• Plant, and equipment	4-10 years
• Furniture and fixture	5-10 years
• Computers	4 Years
• Cars	4-10 years
• Lease hold improvement	5 Years or lease period, whichever is shorter
• Fridges	5 Years

The book value of fixed assets is reviewed to ensure that there is a decrease in their value when events or changes in circumstances indicate that the book value cannot be recovered. If such evidence exists and the book value is greater than the recoverable value, the value of the asset sits down to the recoverable value, which represents the greater value of the equity value of the asset, minus the sale costs or the present value of cash flows of the estimated future benefits of that asset. Decrease losses are included in the consolidated earnings or loss statement and other consolidated comprehensive income.

2-9 Intangible assets

The intangible assets acquired are independently measured at the initial proof of cost. The cost of intangible assets acquired in the process of assembling the facilities at fair value is represented by the date of acquisition. After initial proof, intangible assets are constrained by cost minus accumulated extinguishment and accumulated reduction losses, if any. Intangible assets developed internally, except for capitalized development costs, are not capitalized and charge expenses on the statement of profit or loss and other consolidated comprehensive income for the year in which you incurred. The productive ages of intangible assets are classified as "specified" or "indefinite" duration.

Intangible assets with a specific lifespan

Intangible assets with a specific lifespan are extinguished over their estimated productive life and are reviewed for a decrease in their value when there is evidence of such a decline. The period and method of extinguishing intangible assets with a specified age is reviewed at least once at the end of each fiscal year. Changes in life expectancy or the method of depletion of future economic benefits guaranteed by the asset - processed accountable, by adjusting the period or method of extinguishing, as appropriate, and are considered as changes in accounting estimates. Extinguishing of intangible assets of a specified life is included in the consolidated profit or loss statement and other consolidated comprehensive income as an expense and in line with the function of intangible assets.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets that do not have a specific lifespan

Intangible assets that do not have a specific lifespan are not extinguished but are tested annually to ensure that there is no reduction in their value on their own or at the cash generating unit level. The undetermined production life calendar is reviewed annually to ascertain whether the calendar made for the unspecified productive life is still supported, otherwise the change from "specified age" to "unspecified age" is made on a future basis.

2-10 Capital works in progress

Capital work-in-progress includes purchase price, construction or development costs, and any costs directly attributable to the creation or acquisition of the asset by the company. Capital work in progress is measured at cost less any impairment losses recognized. Capital work under construction is depreciated only when the assets are able to function as intended by management after they have been drawn to the appropriate class of assets.

2-11 Impairment of current non-financial assets

At the end of the fiscal year, an assessment is made to ensure that there is no objective evidence of a decrease in the value of any financial asset measured in cost or amortized cost. If there is such evidence of depreciation, the loss of depreciation is recognized by the profit or loss statement for that year. The value of the decline in value is determined as follows:

For fair-value assets, the depreciation represents the difference between cost and fair value, minus any loss of value previously demonstrated in the earnings or loss statement.

For cost-included assets, the depreciation represents the difference between the amount listed and the present value of future cash flows discounted by the current market rate of return from a similar financial asset line.

For assets listed at the amortized cost, the decrease in value represents the difference between the amount listed and the present value of future cash flows discounted by the original actual commission rate.

2-12 Investment in associate

The parent company's investment in the associate is accounted for using the equity method. An associate is an entity over which the parent company exercises significant influence.

Significant influence is the ability to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

For the equity method, the investment in the associate is recorded in the consolidated statement of financial position at cost plus the parent company's share of post-acquisition changes in the net assets of the associate. Goodwill relating to the associate is added to the carrying amount of the investment and is neither amortized nor tested on an individual basis for impairment.

The consolidated income statement reflects the parent company's share of the associate's results of operations. In the event of a change that has been recorded directly in the equity of the associate company, then the parent company records its share of any changes and disclosed it as appropriate, in the consolidated statement of other comprehensive income. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest held in the associate.

The financial statements of the associate are prepared for the same period as the financial statements of the parent company. When necessary, adjustments are made to match the accounting policies with the accounting policies of the parent company.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories:

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the weighted average method. Cost includes all direct manufacturing expenditure based on the normal level of activity and transportation and handling costs. Net realisable value comprises estimated selling price less further production costs to completion and appropriate selling and distribution costs.

Provision is made, where necessary for slow moving inventories.

2-13 Cash and cash equivalents

For the purposes of preparing the cash flow statement, cash and equivalent cash consists of the Fund, banks and murabaha deposits, with a maturity period of three months or less from the date of acquisition.

2-14 Trade receivables

The amounts due from customers for goods sold or services performed in the normal business context are represented. Debtors are proven to be the value of the original invoice minus the amount of doubtful amounts. An estimate of doubtful debts is made when there are fundamental doubts that the full amount cannot be collected. Bad debts are written off when there is no possibility of recovery.

2-15 Share Capital

Capital is classified within the equity and consists of ordinary shares distributed among the shareholders of the company.

2-16 Statutory reserve

According to the requirements of the Saudi Arabian company's regulations, the Group is composing a Statutory reserve of 10% of net profit after covering accumulated losses until this reserve amounts to 30% of the capital.

2-17 Dividends

The Group will prove cash or non-cash distributions to shareholders as liabilities when the distribution is approved, and that the distribution is no longer at the group's disposal. According to Saudi Arabia's companies' regulation, final dividends are confirmed when approved by the General Assembly. Interim dividends are restricted upon approval by the Board of Directors and the corresponding amount is confirmed directly within the equity.

2-18 Financial liabilities

Classification:

The Group classifies its financial liabilities into other financial liabilities. With the exception of zakat and income tax obligations and employees' defined benefit obligations, the classification of the financial liability on initial recognition depends on the purpose of its acquisition.

The main purpose of the financial obligations is to finance the operations of the Group and to ensure financial support for the operation and opening of branches of the company.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recognition and measurement:

The Group's financial liabilities include loans, bank facilities, finance lease liabilities, trade and other credit balances. These financial liabilities are initially recognized at fair value plus directly attributable transaction costs. After initial recognition, these financial liabilities are measured at amortized cost using the effective rate of return method.

2-19 Loans and bank facilities:

Loans are initially recognized on the basis of the gross amounts received. After initial recognition, loans are measured at amortized cost using the effective interest rate method.

Loans are classified under current liabilities unless the company has an unconditional right to defer payment of the obligation for a period of not less than twelve months after the balance sheet date.

2-20 Borrowing costs

Direct borrowing costs attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the costs of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with obtaining borrowings.

2-21 Accounts and accrued payables

Liabilities are recognized for amounts to be paid in the future for inventory or services received, whether or not billed to the company.

Derecognition Financial liabilities:

Financial liabilities are discontinued when the obligation specified in the contract is paid, canceled or its term is terminated. In the event that the current financial obligations are replaced by others from the same lender on completely different terms, or the terms of the current obligations are modified, then such exchange or modification shall be considered as cessation of the recognition of the original obligations and the establishment of new obligations, and the difference between the respective book values is recorded in the income statement.

Provisions:

Provisions are established when there are current or anticipated legal obligations to the group resulting from past events, and it is likely that an external flow of resources involving economic benefits will be necessary to settle the obligation and a reliable estimate of the amount of the obligation can be made. When the group expects that some or all of the provisions will be recovered, for example under an insurance contract, refunds are proven as a separate asset but only when these refunds are almost certain. The allocation is displayed in the profit or loss statement and comprehensive income after deducting any refunds.

If the effect of the time value of the money is substantial, the provisions are determined by deducting the expected future cash flows using the current pre-tax rate which, when appropriate, reflects current market valuations of the time value of the money and the specific risks of the liabilities. The increase in the discount is proven as a financing cost.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2-22 Employees defined benefit

a) Retirement benefits costs for the General Organization for Insurance

The company contributes to the costs of the employees' retirement benefits in accordance with the regulations of the General Organization for Social Insurance, and it is calculated as a percentage of the employees' salaries. Payments to government managed retirement benefit plans are treated as payments to defined benefit plans because the Group's obligation to the plans equals the liability arising from the defined benefit plans. Payments to retirement plans are recognized as an expense when due.

b) Short-term employee benefits

Liability for the benefits related to wages, salaries, annual leaves and sick leaves is recorded and measured in the period in which the service is provided on the undiscounted amounts of benefits expected to be paid for those services.

c) Employee Defined Benefit Obligations

General description of employee defined benefits plan - End of Service Benefits

The Company is required in accordance with the Labor and Workers Law in Saudi Arabia to pay end of service benefits (defined benefit obligations) and it is calculated based on half of the salary of the last month of each year of the first five years of service, including all fractions of the last year's salary in addition to the full year's salary The following or remaining fractions of the year are included. The employee is entitled to the same benefits in the event of resignation. End of service benefits plan is not funded.

The employee job allowances are formed in accordance with the Saudi Labor and Workers Law. It is measured at the discounted present value and the adjustment is made if there are significant effects as a result of the measurement at the discounted present value, and the adjustment is not made if the effect is not significant.

Employee defined benefit plans (if any) are measured at the present value of future obligations using the unit estimation method, with adjustments determined using simplified actuarial techniques in accordance with the international standard for small and medium-sized enterprises.

2-23 Trade payables

Trade payables shall recognize the value of the goods and services received from third parties initially, whether invoices are received for them or not. When physical, the goods and services received and trade payables are stated at the present value of the expected cash outflows using the interest rate for similar loans. Trade payables are subsequently shown at amortized cost using the effective interest rate.

2-24 Zakat provision

The Company is subject to zakat at 2.5% of the zakat base under the regulations of the General Authority for Zakat and Income in force in Saudi Arabia on the basis of the approximate zakat base or the adjusted profit, whichever is higher, and it is charged to the profit or loss (regarding the Saudi partner), and the foreign partner is subject to income tax On the share in the adjusted profit, the income tax provision is charged to the profit or loss, and any additional amounts, if any, are recognized on the basis of the final assessment when those amounts are determined.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2-25 Value added tax

Value added tax was applied in Saudi Arabia starting from January 1, 2018 (14 Rabii Al-Thani 1439), and it is a tax on the supply of goods and services that are incurred by the final consumer, but collected at each stage of the production and distribution chain as a general principle. So, The treatment of VAT in the company's accounts should reflect its role as a tax collector, and VAT should not be included in income or in expenses, whether they are of a capital or revenue nature. However, there will be circumstances in which the company bears VAT, and in such cases where VAT is not refundable, it must be included in the cost of the product or service.

2-26 Related parties

A related party is a person or entity related to the Group, and the person is a related party if it has control or significant influence over the Group or is a member of the main management. A related party transaction is the transfer of resources, services or obligations between the Group and the related party, regardless of whether a price has been charged. And that the main management personnel are the persons authorized and responsible for planning and management, and they have direct or indirect control over the operational operations of the company, including the group manager.

2-27 Operating lease

Group as lessee: operating lease expense is recognized in the statement of profit or loss on a straight-line basis over the term of the lease.

The Group as a lessor: Operating lease income is recognized in the statement of profit or loss on a straight-line basis over the lease term and is shown under other income.

2-28 Revenue recognition

IFRS 15 provides one included model for use in accounting for revenue arising from contracts with customers. Standard replaces the revenue recognition guidance in IAS 18 - Revenue and IAS 11 - Contracting Contracts and related interpretations.

The primary objective of IFRS 15 is that an entity should recognize revenue in exchange for transferring goods or services to customers in an amount that reflects the financial compensation that the entity expects in exchange for those goods or services.

The Group recognizes revenue when the customer obtains control of the goods and acknowledges receiving them in line with the requirements of IFRS 15. Standard defines a 5-step model for revenue recognition:

Step 1: Identify the contract or contracts with customers.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when the entity implements performance requirements.

Under IFRS 15, revenue is recognized when the obligation is performed, ie when control of the goods or services required to perform a particular obligation is transferred to the customer.

2-29 Cost of revenue

The cost of revenue represents expenses directly related to the manufacture and production of products that generate revenue to the group and which include materials, supplies, utilities and other direct costs.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenses:

Selling and marketing expenses consist of costs incurred in the marketing and sale of the group's products and include other indirect costs related to sales. All other expenses are classified as general and administrative expenses.

General and administrative expenses consist of direct and indirect costs that are not related to the cost of revenue. The distribution between general and administrative expenses, sales and distribution expenses and the cost of sales if necessary, on a fixed basis. Expenses mainly include staff costs, other benefits, compensation, compensation, allowances for board members, pop-up committees, maintenance fees, rental, travel, insurance, professional fees, etc.

2-30 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's chief officer' (Chief executive officer) which in the Group's case is to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's chief officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group's operating segments are analyzed and aggregated based on the nature of products and uniformity in the production processes.

2-31 Earnings per share

Basic and diluted earnings per share are calculated by dividing the profit attributable to the shareholders of the Group, and the weighted average number of ordinary shares outstanding during the financial period.

The Group has not issued any potential ordinary shares, and therefore the underlying share price is the same as the discounted share price.

2-32 Foreign exchange

The Group's consolidated financial statements appear in Saudi Riyals, which is also the company's functional currency. For each facility, the group determines the functional currency, and the items on the financial statements of each establishment are measured using that functional currency. The group uses the direct consolidation method and when the external process is excluded, the gains or losses reclassified into the consolidated profit or loss statement and other consolidated comprehensive income reflect the amount generated by using this method.

3. SIGNIFICANT JUDGEMENTS, ASSUMPTIONS AND ESTIMATES

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below;

3. SIGNIFICANT JUDGEMENTS, ASSUMPTIONS AND ESTIMATES (CONTINUED)

a) **Impairment of trade receivable**
The Company applies the expected credit loss model to determine the impairment losses in the value of trade receivables, and this requires the group to take some future factors into consideration while calculating the probability of default.

b) **Useful lives and residual values of plant, and equipment**
The Group's management determines the estimated useful lives of plant, and equipment for the purposes of calculating depreciation. These estimates are determined after considering the expected use of the assets or normal damage. Management reviews the residual values and useful lives annually and the future depreciation charge is adjusted when management believes that the useful lives differ from previous estimates.

c) **Measuring defined benefit obligations for employees**
The Group's liability relating to defined benefit plans is computed by estimating the amount of future benefits.
For employee defined benefit obligations in the current and prior periods, the value is deducted to arrive at the present value. It is calculated annually by an independent actuary using the expected unit credit method. Judgments were used in estimating the actuarial assumptions.

d) **Fair value of the assets and liabilities**

Fair value is the selling 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 or, otherwise, the best available market at that date. The fair value of the liabilities reflects the risk of inability to perform.

When measuring the fair value of a financial asset or a financial liability, the Group uses market observable data to the extent possible. The fair values are categorized into a hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for an observable asset or liability at the measurement date. The Group does not have any assets or liabilities below this level as of 31 December 2021.
- Level 2: inputs other than quoted prices that are not included below Level 1 and that are observable for the asset or liability, either directly (such as prices) or indirectly (derived from prices). The Group has no financial assets or financial liabilities below this level.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the measurement is categorized as a whole within the lowest level input hierarchy.

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

4. PROPERTY, PLANT, AND EQUIPMENT, NET:

	Machinery and equipment	Furniture, fixtures	Computers	Cars	Improvement on leased buildings	Total
Cost:						
Balance as of 1 January 2022 (audited)	11,930,971	12,078,319	1,390,411	5,088,478	37,501,515	67,989,694
Additions during the period	329,112	607,385	61,856	9,427	589,752	1,597,532
Disposals	(148,246)	(412,497)	(6,677)	(232,575)	(17,500)	(817,495)
Balance as of 30 September 2022 (unaudited)	12,111,837	12,273,207	1,445,590	4,865,330	38,073,767	68,769,731
Accumulated depreciation:						
Balance as of 1 January 2022(audited)	6,123,418	5,927,324	754,579	2,216,359	16,927,904	31,949,584
Charged during the period	1,210,331	1,319,896	189,712	479,163	4,133,742	7,332,844
Disposals	(20,851)	(69,981)	(4,163)	(127,301)	(1,472)	(223,768)
Balance as of 30 September 2022(unaudited)	7,312,898	7,177,239	940,128	2,568,221	21,060,174	39,058,660
Net book value as of 30 September 2022 (unaudited)	4,798,939	5,095,968	505,462	2,297,109	17,013,593	29,711,071
Net book value as of 31 December 2021(audited)	5,807,553	6,150,995	635,832	2,872,119	20,573,611	36,040,110

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

5. INTANGIBLE ASSETS, NET

	September 30, 2022	December 31, 2021
Cost		
Balance at beginning of the period /year	673,457	490,075
Additions during the period /year	-	197,658
Disposals during the period /year	-	(14,276)
Balance at the end of the period /year	**673,457**	**673,457**
Accumulated amortization		
Balance at beginning of the period /year	375,222	261,319
Charged during the period/year	120,131	125,179
Disposals during the period/year	-	(11,276)
Balance at the end of the period /year	**495,353**	**375,222**
Net book value as the end of the period/year	**178,104**	**298,235**

- Intangible assets are represented in computer programs and are amortized over a period of five years.

6. CAPITAL WORK IN PROGRESS

	September 30, 2022	December 31, 2021
Balance at beginning of the period /year	2,171,896	2,380,025
Additions during the period/year	1,495,359	3,868,585
Transferred to property, plant, and equipment	(463,252)	(4,076,714)
Balance at the end of the period/year	**3,204,003**	**2,171,896**

7. RIGHT OF USE ASSETS, NET AND LEASE LIABILITIES

a) Right of use assets

	September 30, 2022	December 31, 2021
Cost:		
Balance at beginning of the period /year	59,531,017	65,313,442
Additions during the period/year	423,803	4,656,302
Disposals during the period/year	(35,000)	(10,438,727)
Balance at end of the period /year	**59,919,820**	**59,531,017**
Accumulated amortization		
Balance at beginning of the period /year	30,999,357	26,738,940
Charged during the period/year	9,966,674	12,599,920
Disposals during the period/year	(35,000)	(8,339,503)
Balance at end of the period /year	**40,931,031**	**30,999,357**
Net book value at the end of the period / year	**18,988,789**	**28,531,660**

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

7. RIGHT OF USE ASSETS, NET AND LEASE LIABILITIES (CONTINUED)

b) Lease liabilities:

	September 30, 2022	December 31, 2021
Balance at beginning of the period /year	23,234,200	33,427,047
Additions during the period/year	423,803	4,656,302
Disposals during the period/year	-	(2,100,918)
Finance cost during the period/year	597,215	1,218,382
Payment from lease liabilities during the period/year	(8,600,752)	(13,929,101)
Lease discounts	-	(37,512)
Balance at end of the period /year	15,654,466	23,234,200

- The lease liabilities divided to

	September 30, 2022	December 31, 2021
Cost:		
Lease liabilities – noncurrent portion	11,583,052	11,452,250
Lease liabilities - current portion	4,071,414	11,781,950
	15,654,466	23,234,200

8. PREPAYMENTS AND OTHER DEBIT BALANCES

	September 30, 2022	December 31, 2021
Advance payments to suppliers and others	11,859,824	6,426,435
Prepaid expenses	3,652,603	4,585,320
Staff receivables	669,048	836,576
Letters of guarantee insurance	162,384	128,350
	16,343,859	11,976,681

9. CASH AND CASH EQUIVALENTS

	September 30, 2022	December 31, 2021
Cash at banks	1,478,380	6,539,920
Cash on hand	457,736	502,770
	1,936,116	7,042,690

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

10. SHARE CAPITAL

The Company's capital was SAR 30,000,000, with 3,000,000 shares with nominal values, the value of each share being 10 Saudi riyals, all of which are ordinary cash shares.
On September 9, 2019, a vote was taken based on the recommendation of the Board of Directors by the Company's Extraordinary General Assembly to increase the Company's capital (Development Works Food Company) from 12,500,000 Saudi riyals to 25,000,000 Saudi riyals by distributing a bonus share of the retained earnings for each share at a total of 12,500,000 Saudi riyals The number of bonus shares is 1,250,0000 shares. The eligibility of the shares is for the shareholders owning the shares on the due date who are registered in the shareholders register at the end of the second trading day following the date of the Extraordinary General Assembly.

On 16 September 2021, based on the recommendation of the Board of Directors by the Extraordinary General Assembly of the Company held to increase the company's capital (Development Works Food Company) from 25,000,000 Saudi riyals to 30,000,000 Saudi riyals by distributing bonus shares from retained earnings and statutory reserves at a total of 5,000,000 Saudi riyals The number of bonus shares is 500,000 shares. The eligibility of the shares is for the shareholders owning the shares on the due date who are registered in the shareholders register at the end of the second trading day following the date of the Extraordinary General Assembly.

11. STATUTORY RESERVE

According to the requirements of the Companies Law in the Kingdom of Saudi Arabia and the Company's Articles of Association, the Group sets aside 10% of the annual profit to form a statutory reserve, where this set-up continues whenever this reserve reaches 30% of the capital. And that this statutory reserve is not distributable as dividends to shareholders.

12. LOANS

	September 30, 2022	December 31, 2021
Balance at beginning of the period /year	31,608,809	33,367,707
Proceeds during the period/year	1,536,621	-
Paid during the period/year	(13,955,613)	(1,758,898)
Balance at the end of the period/year	**19,189,817**	**31,608,809**

Loans have been classified into current and non-current liabilities according to the dates of repayment of bank facilities with lenders as follows:

	September 30, 2022	December 31, 2021
Non-current portion	17,702,364	17,702,364
Current portion	1,487,453	13,906,445
	19,189,817	**31,608,809**

- During 2016, the parent company (Development Works Food Company) entered into a bank facility agreement in the form of a long term loan with one of the local banks; Al Rajhi Bank, amounting to 10,000,000 Saudi riyals, guaranteed by personal guarantees, pledges and promissory notes issued by the main shareholders, in order to finance expansions in branches company. This loan is repayable over a period of sixty months.

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

12. LOANS (CONTINUED)

- During 2017, the parent company (Development Works Food Company) entered into a bank facility agreement in the form of a long-term loan with one of the local banks, Al Rajhi Bank, amounting to 10,000,000 Saudi riyals, guaranteed by personal guarantees, pledges and promissory notes issued by the main shareholders, in order to finance the expansions in the company's branches. This loan is repayable over a period of sixty-four months.
- During 2018, the parent company (Development Works Food Company) concluded a bank facility agreement in the form of a long term loan with one of the local banks, Al Rajhi Bank, amounting to 13,000,000 Saudi riyals and guaranteed by personal guarantees, pledges and promissory notes issued by the main shareholders, in order to finance the expansions in the company's branches. This loan is repayable over a period of forty-eight months.
- During the year 2020, the parent company (Development Works Food Company) entered into a bank facility agreement in the form of a short term loan with one of the local banks, Emirates National Bank of Dubai, amounting to 10,000,000 Saudi riyals and secured by personal guarantees, pledges and promissory notes issued by the main shareholders, in order to finance expansions In the company's branches, an amount of 1,678,479 Saudi riyals was used from the total loan, and the amount used was repaid during the year 2021.
- Facilities are charged financing costs according to the prevailing rates in the interbank market in the Kingdom of Saudi Arabia, plus the agreed margin. The average Murabaha margin is 4.27% annually.
- All loans are in accordance with Islamic law, according to the letter issued by the bank.

13. LEASES LIABILITIES

	September 30, 2022	December 31, 2021
Leases liabilities - non-current portion	475,615	475,615
Leases liabilities - current portion	142,247	644,892
	617,862	**1,120,507**

* The parent company (Development Works Food Company) has signed financing lease agreements with financing entities for leasing cars ended by owning, in accordance with Islamic law as follows:

14. RELATED PARTIES TRANSACTIONS

There are transactions during the period / year with related parties within the group's normal business and with the approval of the management, and the management believes that the terms of these transactions do not differ from any other transactions submitted to a third party.

a) Due from related parties

Related party	Nature of transaction	September 30, 2022	December 31, 2021
Ajdan Company for vegetables and fruits	Sister company	143,889	150,269
Nasser Al-Sayyari	Partner in a subsidiary	31,116	65,740
		175,005	**216,009**

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

15. ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	September 30, 2022	December 31, 2021
Accrued Expenses	1,965,141	1,423,477
Value added tax	1,447,711	769,064
Others	1,402,302	880,032
Assets suppliers	610	253,410
	4,815,764	3,325,983

16. SALES,

- **SEGMENT REPORTING:**

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 (geographical sector), and its profits and losses differ from those of other sectors. Since the main activity of the group consists of one main sector, represented in the sale of fruit products and juices using the "Juice Time" and "Cosnoz" trademarks, and other substantially unimportant activities including food activities using the "Jammraty" trademark. Other activities don't meet any of the quantitative limits for revenues, profits, or assets to be separately reported as an operating segment in accordance with the requirements of IFRS 8 "Operating Segments" to present operating segments, and all its activities are carried out within the Kingdom of Saudi Arabia. Therefore, the group prepared sectoral information according to the geographical regions within the Kingdom of Saudi Arabia as follows:

Total sales by region	For the three-month period ended 30 September		For the Nine-month period ended 30 September	
	2022	2021	2022	2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Central Region - Riyadh	18.169.329	26.172.712	59.873.830	57.441.718
Western Region - Jeddah	4.163.646	4.370.904	12.274.081	13.270.177
Southern Region - Abha Khamis Mushait	2.411.366	2.619.590	6.624.689	6.866.909
	24.744.341	33.163.206	78.772.600	77.578.804

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

17. EARNINGS PER SHARE

Basic earnings per share are calculated from the net profit for the period / year by dividing the net profit for the period / year by the weighted average number of shares outstanding at the end of the period / year, which is 3,000,000 shares. Basic earnings per share from main operations for the period/ year is calculated by dividing the net profit from main operations for the period/ year by the weighted average number of shares outstanding at the end of the period/ year, which is 3,000,000 shares. Also, the Group does not have any convertible shares (discounted shares).

	For the three-month period ended 30 September		For the Nine-month period ended 30 September	
	2022	2021	2022	2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net profit for the period	442,661	770,113	1,190,939	3,434,792
Weighted average number of shares	3,000,000	3,000,000	3,000,000	3,000,000
Basic earnings per share from net profit / (loss) for the period	0.15	0.26	0.40	1.14

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value measurement

Fair value represents the amount may be collected from the asset sale or a boost to convert commitment between knowledgeable parties on the same terms and dealing with others and depends on the fair value measurement of the following conditions:

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in the best and most profitable manner possible or by selling it to another market participant who will use the asset in the best and most profitable way possible.

Fair values are categorized at different levels in the fair value hierarchy based on the inputs used in the valuation methods as follows:

Level 1: Market prices announced in active markets for the same financial instruments.
Level 2: Valuation methods based on inputs that affect the fair value and can be directly or indirectly observed in the market.
Level 3: Valuation techniques that depend on inputs that affect the fair value and cannot be observed directly or indirectly in the market.

Capital risk management

The capital structure of The Group manages its capital to ensure that the Group remains a going concern while obtaining the highest return through optimizing debt and equity balances. The overall Group strategy has not changed for the year 2021.

The Group includes the equity attributable to the shareholders of the Group, which consists of capital, statutory reserves and retained earnings as included in the statement of changes in equity.

Financial risk management

The Group's activities may be exposed primarily to financial risks arising from the following:

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

- **Foreign exchange risk management**

  The Group is not exposed to significant foreign exchange risk and therefore there is no need to actively manage this exposure.

- **Interest rate risk management**

  The financial instruments in the consolidated statement of position are not subject to interest rate risks.

Credit risk management

Credit risk is represented in the failure of one of the parties to contract financial instruments to fulfill its contractual obligations, which leads to the Group incurring financial losses. The Group is exposed to credit risk on its bank balances and receivables as follows:

	September 30, 2022	December 31, 2021
Cash on hand and bank balances	1,936,116	7,042,690
Trade receivables	5,595,430	6,027,590
Staff receivables	669,048	836,576
	8,200,594	**13,906,856**

Liquidity risk management

Liquidity risk is the difficulty that an entity encounters in raising funds to meet commitments related to financial instruments. Liquidity risk can result from the inability to sell a financial asset shortly at an amount approximately to its fair value.

Liquidity risk is managed by monitoring it on a regular basis to ensure that funds are available to meet the company's future commitments.

19. SIGNIFICANT EVENTS

A reliable estimate of the impact cannot be made at the date of authorization of these interim condensed consolidated financial statements. These developments may impact the Group's future financial results, cash flows and financial condition.

20. APPROVED OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's Board of Directors after the recommendation of the members of the Audit Committee on 07 Rabi - II 1444 A.H. (01 November 2022).