

**DEVELOPMENT WORKS FOOD COMPANY  
(SAUDI JOINT STOCK COMPANY)  
RIYADH - SAUDI ARABIA  
CONDENSED CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS (UNAUDITED)  
AND INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THREE – MONTHS PERIOD ENDED 31 MARCH 2023**

**DEVELOPMENT WORKS FOOD COMPANY**  
**(SAUDI JOINT STOCK COMPANY)**  
**INDEX OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**FOR THE THREE - MONTH PERIOD ENDED 31 MARCH 2023**

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<b>Index</b>	<b>Page</b>
Independent auditor's review report on the condensed consolidated interim financial statements (unaudited)	1
Condensed Consolidated Interim Statement of Financial Position (unaudited)	2
Condensed Consolidated Interim Statement of comprehensive income (unaudited)	3
Condensed Consolidated Interim Statement of changes in equity (unaudited)	4
Condensed Consolidated Interim Statement of cash flows (unaudited)	5
Notes to the Condensed consolidated Interim financial statements (unaudited)	6-19

**Independent Auditor's Review Report  
On The Condensed Consolidated Interim Financial Statements**

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

**Introduction:**

We have reviewed the condensed consolidated interim financial statements of **Development Works Food Company** ("the Company") and its subsidiaries ("the Group"), which comprise the condensed consolidated interim statement of financial position as at March 31, 2023, and the condensed consolidated interim statements of comprehensive income, changes in shareholders' equity and cash flows for the three-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.

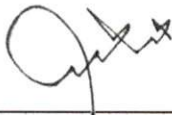
**Scope of review:**

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 as of 31 March 2023.

**For Al-Kharashi & Co.**



**Abdullah S. Al Msned  
License No. (456)**



**Riyadh:**

22 May 2023

02 DHUAL-QA'DAH 1444

**Development Works Food Company**  
**(Saudi Joint Stock Company)**  
**Condensed Consolidated Interim Statement Of Financial Position (Unaudited)**  
**As At March 31,2023**  
**(All amounts are in Saudi Riyals unless otherwise stated)**

	Note	31march2023 (Unaudited)	31december2022 (Audited)
<b><u>Assets</u></b>			
<b>Non-current assets:</b>			
Property, plant and equipment, Net	6	29,042,908	31,474,141
Intangible assets, Net	7	195,030	214,575
Capital work in progress	8	1,330,436	1,330,436
Right -of- use assets, Net	9-A	16,498,473	19,756,402
<b>Total non-current assets</b>		<b>47,066,847</b>	<b>52,775,554</b>
<b>Current assets:</b>			
Inventories	11	7,795,076	5,693,193
Prepayments and other debit balances	12	12,363,763	10,628,632
Trade receivables	13	5,815,659	5,847,316
Cash and cash equivalents	14	2,570,005	2,748,754
<b>Total current assets</b>		<b>28,544,503</b>	<b>24,917,895</b>
<b>Total assets</b>		<b>75,611,350</b>	<b>77,693,449</b>
<b><u>Equity and Liabilities</u></b>			
<b><u>Equity</u></b>			
Share capital	15	30,000,000	30,000,000
Statutory reserve	16	723,931	723,931
Employees defined benefit obligations remeasurement reserve		(423,141)	(423,141)
(Accumulated losses)		(3,755,187)	(1,023,365)
<b>Total shareholders' equity of the parent</b>		<b>26,545,603</b>	<b>29,277,425</b>
Non-controlling interests		370,261	345,650
<b>Total Equity</b>		<b>26,915,864</b>	<b>29,623,075</b>
<b><u>Liabilities</u></b>			
<b>Non-current liabilities:</b>			
Long-term loans	17	7,397,857	7,397,857
Leases liabilities	9- B	5,829,705	5,829,706
Employees defined benefit obligations	19	2,199,538	2,076,836
<b>Total non-current liabilities</b>		<b>15,427,100</b>	<b>15,304,399</b>
<b>Current liabilities:</b>			
Short-term loans	17	12,019,727	11,138,669
Finance leases liabilities	18	312,098	435,655
Leases liabilities	9-b	7,793,122	10,508,769
Trade payables		8,217,525	5,135,822
Due from related partie	20 B	29,801	-
Accrued expenses and other credit balance	21	4,563,809	5,264,756
Zakat provision	22	332,304	282,304
<b>Total current liabilities</b>		<b>33,268,386</b>	<b>32,765,975</b>
<b>Total liabilities</b>		<b>48,695,486</b>	<b>48,070,374</b>
<b>Total shareholders' equity and liabilities</b>		<b>75,611,350</b>	<b>77,693,449</b>

Salah Shahin

CFO

Hisham Abdelrahman Al  
Maqren

CEO

Ashry Saad Ashry

Chairman of Board  
of Directors

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



**Development Works Food Company**

**(Saudi Joint Stock Company)**

**Condensed Consolidated Interim Statement Of Comprehensive Income (Unaudited)**

**For The Three-Month Period Ended March 31,2023**

**(All amounts are in Saudi Riyals unless otherwise stated)**

	Note	For the three-month ended	
		٣١ مارس ٢٠٢٣	٣١ مارس ٢٠٢٢
		(Unaudited)	(Unaudited)
Sales, Net	23	19,704,153	20,220,934
Cost of sales		(20,823,558)	(20,985,282)
<b>Gross loss</b>		<b>(1,119,405)</b>	<b>(764,348)</b>
selling, and marketing		(58,256)	-
General and administrative expenses		(2,240,957)	(2,839,130)
<b>Loss from operations</b>		<b>(3,418,618)</b>	<b>(3,603,478)</b>
Finance cost		(300,150)	(194,818)
Other income		1,061,557	1,589,893
loss for the period before zakat		<b>(2,657,211)</b>	<b>(2,208,403)</b>
Zakat	22	(50,000)	(55,000)
loss for the period		<b>(2,707,211)</b>	<b>(2,263,403)</b>
<b>Total income attributable to</b>			
Shareholders' equity		(2,731,822)	(2,291,631)
Non-controlling interests		24,611	28,228
		<b>(2,707,211)</b>	<b>(2,263,403)</b>
<b>Earnings per share</b>			
Earnings (losses) per share (basic and diluted)	24	<b>(0.91)</b>	<b>(0.76)</b>

**Salah Shahin**

**CFO**

**Hisham Abdelrahman Al  
Maqren**

**CEO**

**Ashry Saad Ashry**

**Chairman of Board of  
Directors**

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Development Works Food Company  
(Saudi Joint Stock Company)  
Condensed Consolidated Interim Statement Of Changes InEquity (Unaudited)  
For The Three-Month Period Ended March 31,2023  
(All amounts are in Saudi Riyals unless otherwise stated)

	Share capital	Statutory reserve	Employees defined benefit obligations remeasurement reserve	Accumulated Loss	Total shareholders' equity of the parent	Non-controlling interest	Total equity
<b>Balance as at 1 January 2022 (Audited)</b>	<b>30,000,000</b>	<b>723,931</b>	<b>(360,004)</b>	<b>2,199,728</b>	<b>32,563,655</b>	<b>502,298</b>	<b>33,065,953</b>
loss of the period	-	-	-	(2,291,631)	(2,291,631)	28,228	(2,263,403)
Other comprehensive loss	-	-	-	-	-	-	-
<b>total comprehensive loss/profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,291,631)</b>	<b>(2,291,631)</b>	<b>28,228</b>	<b>(2,263,403)</b>
<b>Balance as at 31 March 2022 (Unaudited)</b>	<b>30,000,000</b>	<b>723,931</b>	<b>(360,004)</b>	<b>(91,903)</b>	<b>30,272,024</b>	<b>530,526</b>	<b>30,802,550</b>
<b>Balance as at 1 January 2023 (Audited)</b>	<b>30,000,000</b>	<b>723,931</b>	<b>(423,141)</b>	<b>(1,023,365)</b>	<b>29,277,425</b>	<b>345,650</b>	<b>29,623,075</b>
loss profit of the period	-	-	-	(2,731,822)	(2,731,822)	24,611	(2,707,211)
Other comprehensive loss	-	-	-	-	-	-	-
<b>total comprehensive loss/profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,731,822)</b>	<b>(2,731,822)</b>	<b>24,611</b>	<b>(2,707,211)</b>
<b>Balance as at 31 March 2023 (Unaudited)</b>	<b>30,000,000</b>	<b>723,931</b>	<b>(423,141)</b>	<b>(3,755,187)</b>	<b>26,545,603</b>	<b>370,261</b>	<b>26,915,864</b>

Salah Shahin

CFO

Hisham Abdelrahman Al Maqren

CEO

Ashry Saad Ashry

Chairman of Board of Directors

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

**Development Works Food Company**  
**(Saudi Joint Stock Company)**  
**Condensed Consolidated Interim Statement Of Cash Flows (unaudited)**  
**For The Three-Month Period Ended March 31,2023**  
**(All amounts are in Saudi Riyals unless otherwise stated)**

	Note	For the three-month ended	
		٢٠٢٣ مارس ٣١	٢٠٢٢ مارس ٣١
		(Unaudited)	(Unaudited)
<b>Cash flows from operating activities</b>			
Loss before zakat		(2,657,211)	(2,208,403)
<b>Adjustments to reconcile loss for the year to cash from operating activities</b>			
Depreciation of property and equipment		2,483,696	2,436,585
Loss from sale of property, plant & equipment		-	40,419
Amortization of intangible assets		35,262	43,643
Amortization of right of use		3,257,929	3,227,753
Finance costs		300,150	194,818
Employee defined benefit obligation expenses		165,018	324,895
		<b>3,584,844</b>	<b>4,059,710</b>
<b>Change in working capital</b>			
Inventories		(2,101,883)	(2,474,070)
Prepayments and other debit balances		(1,735,131)	(1,441,991)
Trade receivables		31,657	581,063
Due from related Parties		-	(40,380)
Trade payables		3,081,703	1,443,507
Due to related partie		29,801	-
Accrued expenses and other credit balances		(700,947)	(246,794)
<b>Cash generated from operating</b>		<b>2,190,044</b>	<b>1,881,045</b>
Post-employment benefits		(67,550)	(150,442)
Zakat paid		-	(110,411)
<b>Net cash provided by operating activities</b>		<b>2,122,494</b>	<b>1,620,192</b>
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment		(52,463)	(663,328)
Proceeds from sale of property, plant and equipment		-	319
Additions to Intangible assets		(15,717)	-
Additions to capital work in progress		-	(307,957)
<b>Cash flow used in investing activities</b>		<b>(68,180)</b>	<b>(970,966)</b>
<b>Cash flows from financing activities</b>			
Net change in loans		713,459	(2,929,949)
Net change in finance lease contracts		(123,557)	(158,637)
(Paid) Lease obligations		(2,822,965)	(2,047,593)
<b>Cash flows used in financing activities</b>		<b>(2,233,063)</b>	<b>(5,136,179)</b>
Net change in cash and cash equivalents		(178,749)	(4,486,953)
Cash and cash equivalents at the beginning of the year		2,748,754	7,042,690
<b>Cash and cash equivalents at the end of the year</b>		<b>2,570,005</b>	<b>2,555,737</b>

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

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



**Development Works Food Company**  
**Saudi Joint Stock Company**  
**Notes to the Condensed Consolidated Interim financial statements (Unaudited)**  
**For three – month period ended 31 March 2023**  
**(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:

<u>Number</u>	<u>Branch location</u>	<u>Branch name</u>	<u>Commercial registration No.</u>	<u>Date</u>
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



**Development Works Food Company**  
**Saudi Joint Stock Company**  
**Notes to the Condensed Consolidated Interim financial statements (Unaudited)**  
**For three – month period ended 31 March 2023**  
**(All amounts are in Saudi Riyals unless otherwise stated)**

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**1. GENERAL INFORMATION (CONTINUED)**

The consolidated financial statements for the period ended March 31, 2023 include the activities of the parent company and the following subsidiary company (the company and its subsidiary company hereinafter referred to as the “Group”).

<u>Name of subsidiary</u>	<u>Main activity</u>	<u>Commercial registration No.</u>	<u>Ownership percentage</u>
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 located in Riyadh - 2181 Dammam Road - Al Yarmouk District, Unit No. 69, Riyadh, Zip Code 13243, additional number 7830, Saudi Arabia.

**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

**2-1 Statement of compliances**

These interim condensed consolidated interim financial statements for the period ended 31 March 2023 have been prepared in compliance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” as endorsed in the Kingdom of Saudi Arabia. These condensed consolidated interim financial statements do not include all information and disclosures required for a complete set of financial statements and should be read in conjunction with the Group’s last annual consolidated financial statements for the year ended 31 December 2022. However, selected accounting policies and notes have been included to explain significant events and transactions to understand the changes in the financial position and financial performance of the Group since the last annual financial statements.

**2-2 Accounting basis**

These Consolidated financial statements have been prepared on a historical cost basis, using the going concern concept except for employees’ benefits which are measured at present value using the projected unit credit method.

**2-3 Functional and presentational currency**

The consolidated financial statements are presented in Saudi Riyals, which is the functional and presentation currency of the Group, unless otherwise stated.

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

### **2-4 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 considered. 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.

#### **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.

## **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;

### **a) 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.



### **3. SIGNIFICANT JUDGEMENTS, ASSUMPTIONS AND ESTIMATES (CONTINUED)**

#### **b) 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.

#### **c) 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.

#### **d) Lease Discount Rate**

The company's management uses estimates in determining the incremental borrowing rate in calculating the present value of the minimum lease payments, as well as the expected duration of the contract in the event of extension options.

#### **e) 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 2022.
- 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.

#### **f) Zakat**

When calculating zakat, the company adjusts its net profit and applies a specific deduction to its zakat base to calculate the zakat expense. The Company makes its best estimates of these assumptions.

### **4. Summary of significant accounting policies**

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the last annual financial statements for the year ending on December 31, 2022.

Development Works Food Company  
(Saudi Joint Stock Company)  
Notes To The Condensed Consolidated Interim Financial Statements (Unaudited)  
For three – month period ended 31 March 2023  
(All amounts are in Saudi Riyals unless otherwise stated)

**5- Property, plant and equipment, Net**

	Improvements of leased buildings	Furniture, fixtures and office equipment	Machinery and equipment	Cars	Computers	Total
<b>Cost:</b>						
Balance as of 1 January 2023 (audited)	38,900,280	12,829,166	13,511,549	4,841,043	1,471,950	71,553,988
Additions during the period	-	16,828	-	27,500	8,135	52,463
<b>Balance as of 31 March 2023 (Unaudited)</b>	<b>38,900,280</b>	<b>12,845,994</b>	<b>13,511,549</b>	<b>4,868,543</b>	<b>1,480,085</b>	<b>71,606,451</b>
<b>Accumulated depreciation:</b>						
Balance as of 1 January 2023 (audited)	22,437,114	6,678,520	7,307,667	2,655,544	1,001,002	40,079,847
Charged during the period	1,374,477	467,883	442,984	143,164	55,188	2,483,696
<b>Balance as of 31 March 2023 (Unaudited)</b>	<b>23,811,591</b>	<b>7,146,403</b>	<b>7,750,651</b>	<b>2,798,708</b>	<b>1,056,190</b>	<b>42,563,543</b>
<b>Net book value as of 31 March 2023 (Unaudited)</b>	<b>15,088,689</b>	<b>5,699,591</b>	<b>5,760,898</b>	<b>2,069,835</b>	<b>423,895</b>	<b>29,042,908</b>
<b>Net book value as of 31 December 2022 (audited)</b>	<b>16,463,166</b>	<b>6,150,646</b>	<b>6,203,882</b>	<b>2,185,499</b>	<b>470,948</b>	<b>31,474,141</b>



**Development Works Food Company****(Saudi Joint Stock Company)****Notes To The Condensed Consolidated Interim Financial Statements (Unaudited)****For three – month period ended 31 March 2023****(All amounts are in Saudi Riyals unless otherwise stated)****6 -INTANGIBLE ASSETS, NET :**

	<b>31march2023</b>	<b>31december2022</b>
<b>Cost</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
Balance as of 1 January	527,501	673,457
Additions during the period / year	15,717	8,040
Disposals during the period / year	-	(153,996)
<b>Balance at the end of the period / year</b>	<b>543,218</b>	<b>527,501</b>
<b>Accumulated amortization</b>		
<b>Balance as of 1 January</b>	312,926	375,222
Charged for the year	35,262	91,700
Disposals	-	(153,996)
Balance as the end of the period / year	<b>348,188</b>	<b>312,926</b>
<b>Net book value as the end of the period / year</b>	<b>195,030</b>	<b>214,575</b>

Intangible assets are represented in computer programs and are amortized over a period between 2 to 3 years.

**7- CAPITAL WORK IN PROGRESS :**

	<b>31march2023</b>	<b>31december2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Balance as of 1 January	1,330,436	2,171,896
Additions during the year	-	2,029,636
Transferred to property, plant and equipment	-	(2,871,096)
<b>Balance at the end of the period / year</b>	<b>1,330,436</b>	<b>1,330,436</b>

**Development Works Food Company**  
**(Saudi Joint Stock Company)**

**Notes To The Condensed Consolidated Interim Financial Statements (Unaudited)**

**For three – month period ended 31 March 2023**

**(All amounts are in Saudi Riyals unless otherwise stated)**

**8- RIGHT OF USE ASSETS AND LEASE LIABILITIES**

**a) Right of use assets**

	<b>31march2023</b>	<b>31december2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Cost:</b>		
Balance at 1 January	57,970,572	59,531,017
Additions during the period / year	-	8,290,915
Disposals during the period / year	-	(9,851,360)
<b>Balance at the end of the period / year</b>	<b>57,970,572</b>	<b>57,970,572</b>
<b>Accumulated amortization</b>		
Balance at 1 January	38,214,170	30,999,357
Charged during the period / year	3,257,929	13,415,918
Disposals during the period / year	-	(6,201,105)
<b>Balance at the end of the period / year</b>	<b>41,472,099</b>	<b>38,214,170</b>
<b>Net book value at the end of the period /year</b>	<b>16,498,473</b>	<b>19,756,402</b>

**a) Lease liabilities:**

	<b>31march2023</b>	<b>31december2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Balance at 1 January</b>	<b>16,338,475</b>	<b>23,234,200</b>
Additions during the period / year	-	8,246,941
finance cost for the period / year	107,317	989,250
<b>Less:</b>		
Disposals during the period / year	-	(3,650,255)
Rent concessions	-	(26,305)
Lease payment made during the period / year	(2,822,965)	(12,455,356)
<b>Balance at the end of the period / year</b>	<b>13,622,827</b>	<b>16,338,475</b>
<b>Divided to:</b>		
Non current	5,829,705	5,829,706
Current	7,793,122	10,508,769
	<b>13,622,827</b>	<b>16,338,475</b>

**9- INVESTMENT IN ASSOCIATE**

The investment in associate company in Ajdan Fruits and Vegetables Company (limited liability company) by 35% of its capital. The activities of the subsidiary are wholesale of fruits, vegetables and dates and retail sale of fresh and preserved fruits, vegetables and date

	<b>31march2023</b>	<b>31december2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Balance at 1 January</b>	<b>176,578</b>	<b>176,578</b>
	176,578	176,578
<b>Less:</b>		
Impairment	(176,578)	(176,578)
<b>Balance at the end of the period / year</b>	<b>-</b>	<b>-</b>

The value of the investment in Ajdan Fruits and Vegetables Company has been proven to be impaired by the company's management, as the company is under liquidation.

**Development Works Food Company****(Saudi Joint Stock Company)****Notes To The Condensed Consolidated Interim Financial Statements (Unaudited)****For three – month period ended 31 March 2023****(All amounts are in Saudi Riyals unless otherwise stated)****10- INVENTORIES:**

	<b>31march2023</b>	<b>31december2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Raw Materials	3,829,128	2,189,141
Packing materials	2,392,818	2,208,845
Operating supplies	1,573,130	1,295,207
	<b>7,795,076</b>	<b>5,693,193</b>

**11- PREPAYMENTS AND OTHER DEBIT BALANCES:**

	<b>31march2023</b>	<b>31december2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Prepaid expenses	4,193,033	3,042,996
Advance payments to suppliers	8,222,291	7,672,424
Staff receivables	634,489	599,263
-Letters of guarantee insurance	161,384	161,383
<b>Less:</b>	<b>13,211,197</b>	<b>11,476,066</b>
Impairment losses allowance (Note 11-1)	<b>(847,434)</b>	<b>(847,434)</b>
	<b>12,363,763</b>	<b>10,628,632</b>

11-1 The movement in the impairment loss allowance in respect of prepaymnts and other debit balalnce during the period / year is as follow :

	<b>31march2023</b>	<b>31december2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Balance at 1 January</b>	<b>847,434</b>	<b>-</b>
Additions during the period / year	-	847,434
<b>Balance at the end of the period / year</b>	<b>847,434</b>	<b>847,434</b>

**12- Trade Receivable:**

	<b>31march2023</b>	<b>31december2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Trade Receivable	6,342,352	6,374,009
<b>Less:</b>		
Expected credit losses (Note 12-1)	<b>(526,693)</b>	<b>(526,693)</b>
	<b>5,815,659</b>	<b>5,847,316</b>

12-1 The movement in the expected credit loss allowance in respect of trade receivalbe during the year is as follow :

	<b>31march2023</b>	<b>31december2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Balance at 1 January</b>	<b>526,693</b>	<b>-</b>
Additions during the period / year	-	526,693
<b>Balance at the end of the period / year</b>	<b>526,693</b>	<b>526,693</b>



**Development Works Food Company****(Saudi Joint Stock Company)****Notes To The Condensed Consolidated Interim Financial Statements (Unaudited)****For three – month period ended 31 March 2023****(All amounts are in Saudi Riyals unless otherwise stated)****13 - CASH AND CASH EQUIVALENTS**

	<b>31march2023</b>	<b>31december2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Cash at banks	1,862,588	2,240,371
Cash in hand	707,417	508,383
	<b>2,570,005</b>	<b>2,748,754</b>

**14- 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, 2020, 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 1,250,000 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

On 16 September 2022, 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 Saudi riyals to 30,000,000 Saudi riyals by distributing bonus shares from retained earnings and ٢٥,٠٠٠,٠٠٠ 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

**15- 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



**Development Works Food Company****(Saudi Joint Stock Company)****Notes To The Condensed Consolidated Interim Financial Statements (Unaudited)****For three – month period ended 31 March 2023****(All amounts are in Saudi Riyals unless otherwise stated)****16- LOANS**

	<b>31march2023</b>	<b>31december2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Balance at 1 January	18,536,526	28,641,342
Proceeds during the period / year	7,331,740	5,338,251
Paid during the period / year	(6,450,682)	(15,443,067)
<b>Balance at the end of the period / year</b>	<b>19,417,584</b>	<b>18,536,526</b>
Non-current portion	7,397,857	7,397,857
Current portion	12,019,727	11,138,669
	<b>19,417,584</b>	<b>18,536,526</b>

· 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.

· 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.

· During the year 2020, the parent company (Development Works Food Company) paid the loan from Emirates National Bank of Dubai.

· 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.

**Development Works Food Company****(Saudi Joint Stock Company)****Notes To The Condensed Consolidated Interim Financial Statements (Unaudited)****For three – month period ended 31 March 2023****(All amounts are in Saudi Riyals unless otherwise stated)****17- FINANCE LEASES LIABILITIES**

	<b>31march2023</b>	<b>31december2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Balance at 1 January</b>	435,655	1,120,507
Payment made during the period / year	(123,557)	(684,852)
<b>Balance at the end of the period / year</b>	<b>312,098</b>	<b>435,655</b>

**18- EMPLOYEES DEFINED BENEFIT OBLIGATIONS**

The Company applies a defined benefit plan that complies with the requirements of the labor law in Saudi Arabia. The amounts paid at the end of service under the plan are calculated on the basis of the employees' last salaries and allowances and the number of their cumulative years of service as on the date of the end of their service, as shown in the labor law in Saudi Arabia. Employees' end of service benefit plans are unfunded plans and benefits are met when they are due.

	<b>31march2023</b>	<b>31december2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Present value of employees' defined benefit obligations</b>	<b>2,199,538</b>	<b>2,076,836</b>
<b>a) Movement on employees' defined benefit obligations:</b>		
Balance at the beginning of the period / year	2,076,836	1,719,481
<b>Included in the statement of comprehensive income:</b>		
Finance cost	25,234	55,508
Present value of employees' defined benefit obligations charged on profit or loss	165,018	717,212
Remeasurement charged on other comprehensive income	-	67,688
<b>Total in statement of comprehensive income</b>	<b>190,252</b>	<b>840,408</b>
Paid during the period / year	(67,550)	(483,053)
<b>Balance at the end of the period / year</b>	<b>2,199,538</b>	<b>2,076,836</b>

**Development Works Food Company****(Saudi Joint Stock Company)****Notes To The Condensed Consolidated Interim Financial Statements (Unaudited)****For three – month period ended 31 March 2023****(All amounts are in Saudi Riyals unless otherwise stated)****19- RELATED PARTIES TRANSACTIONS AND BALANCES**

There are transactions during the 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) TRANSACTION WITH RELATED PARTY:**

<b><u>Name of related party:</u></b>	<b><u>Nature of relationship</u></b>	<b><u>Nature of transactions</u></b>	<b>٣١ مارس ٢٠٢٣</b>	<b>٣١ ديسمبر ٢٠٢٢</b>
		Purchase custody	-	204,222
Nasser Al-Sayyari	Partner in a subsidia	settlements	29,801	37,335
		Dividend	-	(307,298)

**b) Due from related parties**

	<b>31march2023</b>	<b>31december2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Ajdan Company for vegetables and fruits	150,269	150,269
Less:	<b>150,269</b>	<b>150,269</b>
Impairment losses allowance*	(150,269)	(150,269)
	-	-

\* The value of the balance in the Ajdan Fruits and Vegetables Company has been proven to be impaired by the company's management, as the company is under liquidation.

**b) Due to related parties**

	<b>31march2023</b>	<b>31december2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Nasser Al-Sayyari	29,801	-
	<b>29,801</b>	-

**c) Compensation and benefits of senior management:**

	<b>31march2023</b>	<b>31december2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Meeting attendance fees and bonuses	-	51,000
Salaries and wages	375,000	1,547,875
	<b>375,000</b>	<b>1,598,875</b>



**Development Works Food Company**  
(Saudi Joint Stock Company)

**Notes To The Condensed Consolidated Interim Financial Statements (Unaudited)**

**For three – month period ended 31 March 2023**

**(All amounts are in Saudi Riyals unless otherwise stated)**

**20- ACCRUED EXPENSE AND OTHER CREDIT BALANCE:**

	<b>31march2023</b>	<b>31december2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Accrued Expenses	1,780,760	1,680,210
Assets suppliers	276,581	460,912
Value added tax	495,238	377,855
Accrued Finance Cost	1,347,906	1,581,480
Others	663,324	1,164,299
	<b>4,563,809</b>	<b>5,264,756</b>

**21- ZAKAT PROVISION**

Zakat is calculated on the basis of the adjusted net profit or the zakat base, whichever is higher, according to the regulations of the Zakat, Tax and Customs Authority in Saudi Arabia. The Zakat provision was calculated based on the base for a period of 365 days.

**The movement in provision for zakat is as follow:**

	<b>31march2023</b>	<b>31december2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Balance at 1 January</b>	<b>282,304</b>	<b>303,590</b>
Charged for the period / year	50,000	301,835
Paid during the period /year	-	(323,121)
<b>Balance at the end of the period / year</b>	<b>332,304</b>	<b>282,304</b>

**22- Sales**

**Segment information**

**Total sales by region**

	<b>For the three-month ended</b>	
	<b>31march2023</b>	<b>٣١ مارس ٢٠٢٢</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Central Region - Riyadh	15,008,953	15,235,151
Western Region - Jeddah	3,362,096	3,373,576
Southern Region - Abha Khamis Mushait	1,333,104	1,612,207
	<b>19,704,153</b>	<b>20,220,934</b>

**23- EARNINGS PER SHARE**

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

	<b>For the three-month ended</b>	
	<b>31march2023</b>	<b>٣١ مارس ٢٠٢٢</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Net (loss) for the year	(2,731,822)	(2,291,631)
Weighted average number of shares	3,000,000	3,000,000
<b>Basic earnings per share from net (loss)for the period</b>	<b>(0.91)</b>	<b>(0.76)</b>



**Development Works Food Company**  
**Saudi Joint Stock Company**  
**Notes to the Condensed Consolidated Interim financial statements (Unaudited)**  
**For three – month period ended 31 March 2023**  
**(All amounts are in Saudi Riyals unless otherwise stated)**

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**24. SUBSEQUENT EVENTS AND SIGNIFICANT MATTERS**

Group management considers that there are no significant subsequent events after the date of the report that require their modification or disclosure in these consolidated financial statements.

**25. 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 18 May 2023.