



RSM

شركة آر إس إم المحاسبون المتحدون للإستشارات المهنية
RSM Allied Accountants Professional Services Co.

Development Works Food Company
(A Saudi Joint Stock Company)
Riyadh – Kingdom of Saudi Arabia

**Interim Condensed Consolidated Financial Statements (Unaudited)
and Independent Auditor's Review Report for the three-month and
nine-month periods Ended September 30, 2023**

Development Works Food Company
(Saudi Joint Stock Company)

Interim condensed consolidated financial statements (Unaudited) and independent auditor's review report
For the three-month and nine-month periods ended September 30, 2023

<u>Index</u>	<u>Page</u>
Independent auditor's review report	-
Interim condensed consolidated statement of financial position (unaudited)	2
Interim condensed consolidated statement of profit or loss and other comprehensive income (unaudited)	3
Interim condensed consolidated statement of changes in equity (unaudited)	4
Interim condensed consolidated statement of cash flows (unaudited)	5
Notes to the Interim condensed consolidated financial statements (unaudited)	6 – 22

Independent Auditor's Review Report

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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Development Works Food Company (A Saudi Joint Stock Company) (the "Company") and its subsidiary (collectively referred to as the "Group"), which include the interim condensed consolidated statement of financial position as at September 30, 2023, the interim condensed consolidated statements of profit or loss and other comprehensive income for the for the three-month and nine-month periods ended September 30, 2023, interim condensed consolidated statement of changes in equity, and interim condensed consolidated statement of cash flows for the nine-month period then ended. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the 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 interim financial information consists of making inquiries primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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 interim condensed consolidated financial statements as at September 30, 2023 is not prepared in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

Other Matter

The consolidated financial statements of the Group for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements dated March 30, 2023. Also, the interim condensed consolidated financial statements of the Group for the three-month and nine-month periods ended September 30, 2022 and the three months period ended March 31, 2023, was reviewed by the same auditor, who issued an unmodified conclusion on that interim condensed consolidated financial statements dated November 6, 2022 and May 22, 2023 respectively.

RSM Allied Accountants Professional Services

Mohammed Bin Farhan Bin Nader

License No. 435

Riyadh, Kingdom of Saudi Arabia

25 Rabi-Al-Thani, 1445AH (corresponding to 9 November, 2023)




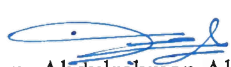
Development Works Food Company
(Saudi Joint Stock Company)

Interim condensed consolidated statement of financial position (unaudited)
As at September 30, 2023
(Saudi Riyals)

	Notes	September 30, 2023 (unaudited)	December 31, 2022 (audited)
Assets			
Non-current assets			
Property, plant and equipment, net	2,7	25,580,084	31,474,141
Intangible assets, net		124,511	214,575
Right of use assets, net	8	13,419,237	19,756,402
Capital work under construction		1,757,986	1,330,436
Total non-current assets		40,881,818	52,775,554
Current assets			
Inventory, net		5,542,323	5,693,193
Prepaid expenses and other assets, net		13,382,914	10,628,632
Accounts receivable, net		6,524,008	5,847,316
Cash and cash equivalents		3,070,667	2,748,754
Total current assets		28,519,912	24,917,895
Total assets		69,401,730	77,693,449
Equity and liabilities			
Equity			
Share capital	1	30,000,000	30,000,000
Statutory reserve		723,931	723,931
Actuarial reserve		(423,141)	(423,141)
Accumulated losses		(2,904,960)	(1,023,365)
Net equity attributable to the shareholders of the parent company		27,395,830	29,277,425
Non-controlling interests		238,918	345,650
Net equity		27,634,748	29,623,075
Liabilities			
Non-current liabilities			
Leases obligations	8	4,512,884	5,829,706
Long term murabaha loans and sukuk	10	7,397,857	7,397,857
Defined employees' benefit plan obligations		2,327,034	2,076,836
Total non-current liabilities		14,237,775	15,304,399
Current liabilities			
Leases obligations	8	5,299,606	10,944,424
Long term murabaha loans and sukuk	10	8,395,720	11,138,669
Accrued expenses and other liabilities		5,605,875	5,264,756
Accounts payable		8,048,852	5,135,822
Zakat provision		179,154	282,304
Total current liabilities		27,529,207	32,765,975
Total liabilities		41,766,982	48,070,374
Total equity and liabilities		69,401,730	77,693,449

The accompanying notes from (1) to (22) form an integral part of these interim condensed consolidated financial statements.


Salah Shahin
Finance manager


Hisham Abdulrahman Almogren
Chief Executive Officer



Anas Saleh Al-Amoud
Chairman

Development Works Food Company
(Saudi Joint Stock Company)

Interim condensed consolidated statement of profit or loss and other comprehensive income (Unaudited)
For the three-month and nine-month periods ended September 30, 2023
(Saudi Riyals)

	Note	For the three-month period ended September 30		For the nine-month period ended September 30	
		2023 (unaudited)	2022 (unaudited)	2023 (unaudited)	2022 (unaudited)
Profit or loss					
Sales, net	11	23,859,186	24,744,341	70,738,998	78,772,600
Cost of sales		(22,004,163)	(22,181,154)	(66,979,399)	(70,986,251)
Gross profit		1,855,023	2,563,187	3,759,599	7,786,349
General and administrative expenses		(2,873,605)	(2,815,602)	(7,748,289)	(8,462,916)
Loss from operations		(1,018,582)	(252,415)	(3,988,690)	(676,567)
Finance cost		(333,317)	(207,059)	(1,004,087)	(828,601)
Other income, net		1,930,553	1,048,616	3,325,537	3,244,273
Profit (loss) for the period before zakat		578,654	589,142	(1,667,240)	1,739,105
Zakat		(69,805)	(86,153)	(169,805)	(238,461)
Net profit (loss) for the period		508,849	502,989	(1,837,045)	1,500,644
Other comprehensive income		-	-	-	-
Total comprehensive income (loss) for the period		508,849	502,989	(1,837,045)	1,500,644
Profit (loss) for the period attributable to					
To the Parent Company		534,932	442,661	(1,881,595)	1,190,939
Non-controlling interests		(26,083)	60,328	44,550	309,705
		508,849	502,989	(1,837,045)	1,500,644
Earnings (loss) per share					
Earnings (loss) per share based on net profit for the period attributable to the shareholders of the Company	14	0.18	0.15	(0.63)	0.40

The accompanying notes from (1) to (22) form an integral part of these interim condensed consolidated financial statements.


Salah Shahin
Finance manager


Hisham Abdulrahman Almogren
Chief Executive Officer



Anas Saleh Al-Amoud
Chairman


Development Works Food Company
(Saudi Joint Stock Company)

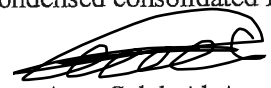
Interim condensed consolidated statement of changes in equity (unaudited)
For the nine months period ended September 30, 2023
(Saudi riyals)

	Share capital	Statutory reserve	Remeasurement reserve for defined employees' benefit plan obligations	(Accumulated losses) / Retained earnings	Net equity attributable to the shareholders of the parent company	Non-controlling interests	Total
For the nine months ended September 30, 2022 (unaudited)							
Balance as at January 1, 2022	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
Balance as at September 30, 2022	30,000,000	723,931	(360,004)	3,390,667	33,754,594	812,003	34,566,597
For the nine months ended September 30, 2023 (unaudited)							
Balance as at January 1, 2023	30,000,000	723,931	(423,141)	(1,023,365)	29,277,425	345,650	29,623,075
Net (loss) profit for the period	-	-	-	(1,881,595)	(1,881,595)	44,550	(1,837,045)
Dividends for non-controlling interests – note 19	-	-	-	-	-	(151,282)	(151,282)
Balance as at September 30, 2023	30,000,000	723,931	(423,141)	(2,904,960)	27,395,830	238,918	27,634,748

The accompanying notes from (1) to (22) form an integral part of these interim condensed consolidated financial statements.


Salah Shahin
Finance manager


Hisham Abdulrahman Almogren
Chief Executive Officer


Anas Saleh Al-Amoud
Chairman

Development Works Food Company
(Saudi Joint Stock Company)

Interim condensed consolidated statement of cash flows (unaudited)
For the nine months period ended September 30, 2023
(Saudi Riyals)

	For the nine months period September 30	
	2023	2022
	(unaudited)	(unaudited)
Cash flows from operating activities		
Net (Loss) / profit for the period before zakat	(1,667,240)	1,739,105
Adjustments to reconcile net (loss) / profit for the period to net cash provided by operating activities		
Depreciation of property, plant and equipment	5,791,607	7,332,844
Gain on sale of property, plant and equipment	(15,340)	(189,513)
Amortization of intangible assets	105,781	120,131
Depreciation of right of use assets	9,732,474	9,966,674
Gain on disposal of lease contracts	(9,008)	-
Defined employees' benefit plan obligations charged	580,411	730,450
Financing cost	1,004,087	828,601
Cash flows after adjusting for non-cash items	15,522,772	20,528,292
Changes in operating assets and liabilities		
Inventory	150,870	(94,522)
Prepaid expenses and other assets	(2,754,282)	(4,367,178)
Due from related party	-	41,004
Accounts receivable	(676,692)	432,160
Accrued expenses and other liabilities	341,119	1,489,781
Accounts payable	2,913,030	1,170,342
Results from operations	15,496,817	19,199,879
Defined employees' benefit plan obligations paid	(330,213)	(383,157)
Zakat provision paid	(272,955)	(323,123)
Net cash flows from operating activities	14,893,649	18,493,599
Cash flows from investing activities		
Additions to property, plant, and equipment	(187,846)	(1,134,380)
Proceeds from the sale of property, plant, and equipment	305,633	783,341
Additions to intangible assets	(15,717)	-
Additions to capital work under construction	(427,550)	(1,495,359)
Net cash used in investing activities	(325,477)	(1,846,398)
Cash flows from financing activities		
Proceeds from long term murabaha loans and sukuk	13,241,640	1,536,621
Payments of long term murabaha loans and sukuk	(16,669,779)	(14,042,276)
Payments of lease obligations	(10,666,838)	(9,248,120)
Dividends for non-controlling interests	(151,282)	-
Net cash used in financing activities	(14,246,259)	(21,753,775)
Net change in cash and cash equivalents	321,913	(5,106,574)
Cash and cash equivalents, beginning of the period	2,748,754	7,042,690
Cash and cash equivalents, ending of the period	3,070,667	1,936,116
Non-cash transactions		
Additions to lease contracts	3,727,290	-
Transfer from capital work under construction to PPE	-	463,252

The accompanying notes from (1) to (22) form an integral part of these interim condensed consolidated financial statements.

Salah Shahin
Finance manager

Hisham Abdulrahman Almogren
Chief Executive Officer

Anas Saleh Al-Amoud
Chairman

Development Works Food Company
(Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements (unaudited)

For the nine months period ended September 30, 2023

1 - Organization and Activities

- A- Development Works Food Company ("the Company") is a Saudi joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010290779 issued in Riyadh on 27 June 2010.
- B- The Company's capital is SAR 30,000,000 with 3,000,000 shares of SR 10 each, all of which are cash ordinary shares.
- C- Listing the Company
- The Saudi Stock Exchange (Tadawul) announced that the shares of Development Works Food Company have been listed and started trading on the Parallel Market (Nomu) under the symbol 9501, with a volatility of 20%, on Jumada Al-Awwal 29, 1438AH (corresponding to February 26, 2017).
 - The Saudi Stock Exchange (Tadawul) announced that the shares of Development Works Food Company have been listed and started trading on the Main Market (TASI) with the symbol 6013, provided that the volatility per share is 10%, on Rabi' Thani 18, 1443AH (corresponding to November 23, 2021).
- D- The main activity of the Company is in restaurants with service, fast food activities, including (pizza shops), coffee shops, ice cream shops (ice cream), serving fresh juices and cold drinks.

The Parent Company obtained the following subsidiary commercial registers:

Commercial Registration Name	Commercial Registration Number	Issue Date	Place of issue
Food Development Company Branch Workshop *	1010437864	6 October 2015	Riyadh
Food Development Works Company *	4030295880	1 August 2017	Jeddah
Food Development Works Company *	4030295881	1 August 2017	Jeddah
Food Development Works Company *	4030295882	1 August 2017	Jeddah
Food Development Works Company *	4030295883	1 August 2017	Jeddah
Food Development Works Company *	4030295885	1 August 2017	Jeddah
Food Development Works Company *	1010686736	10 February 2021	Riyadh
Food Development Works Company *	1010610220	1 August 2017	Riyadh
Food Development Works Company *	1010610221	1 August 2017	Riyadh
Food Development Works Company *	1010610222	1 August 2017	Riyadh
Anmat Digital General Contracting Company *	1010455177	29 July 2018	Riyadh
Damascus Gate Fast Food Restaurants *	1010651030	3 September 2020	Riyadh

* On November 1, 2023, these sub-commercial registrations were canceled.

- E- These interim condensed consolidated financial statements include the financial statements of the Parent Company and its subsidiaries as set out below:

Subsidiary Name	Country of Incorporation	Commercial Registration Number	Date of Commercial Registration	Ownership	
				2023	2022
Feddan Fruit Company for vegetables and fruits	Saudi Arabia	1010454082	July 17, 2018	70%	70%
Development Works Contracting Company *	Saudi Arabia	1010947344	March 12, 2018	100%	100%
Suqur Al Jazeera Contracting Company **	Saudi Arabia	1010764194	December 10, 2021	60%	60%

- The Development Works Contracting Company and Suqur Al-Jazeera Contracting Company did not engage in any commercial activities from the date of their establishment until the date of preparing these interim condensed consolidated financial statements.
- On March 5, 2023, the partners in Suqur Al-Jazeera Contracting Company agreed to its liquidation. The legal procedures related to this matter have not been completed to date.

Notes to the interim condensed consolidated financial statements (unaudited) (continued)
For the nine months period ended September 30, 2023

1 - Organization and Activities (continued)

- F- The head office of the Parent Company is located at the following address:
Food Development Works Company / P.O. Box 55800 / Riyadh – Saudi Arabia.

2 - Basis of preparing interim condensed financial statements

Applicable accounting standards

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 approved in the Kingdom of Saudi Arabia and other Standards and Pronouncements complementary to the International Standards endorsed by the Saudi Organization for Chartered and Professional Accountants and should be read in conjunction with the latest consolidated financial statements of the Group for the year ended in December 31, 2022, which does not include all the information required for the entire set of consolidated financial statements prepared in accordance with International Financial Reporting Standards, but changes in accounting policies "if any" and selected explanatory notes are included to explain important events and transactions to understand the changes in the consolidated financial position and consolidated financial performance of the Group since the last annual consolidated financial statements.

Basis of measurement

The interim condensed consolidated financial statements have been prepared in accordance with the historical cost principle, going concern assumption, and the accrual basis of accounting, except for defined employees' benefit plan obligations which is measured using the projected unit credit method. Another basis is used if the International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia and other Standards and Pronouncements complementary to the International Standards endorsed by the Saudi Organization for Chartered and Professional Accountants require it.

Accounting records

The Group maintains regular accounting records on computers and in non-Arabic.

Functional and presentation currency

The interim condensed consolidated financial statements is presented and disclosed in Saudi Riyal, which is the functional currency and rounded to the nearest Saudi Riyal.

Use of judgments, assumptions and estimates

The preparation of interim condensed consolidated financial statements in accordance with the International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia and other Standards and Pronouncements complementary to the International Standards endorsed by the Saudi Organization for Chartered and Professional Accountants requires management to use judgments, estimates and assumptions that affect the recorded amounts of revenues, costs, assets, liabilities and disclosures of potential liabilities at the date of the financial period. However, uncertainty about these provisions, assumptions and estimates may lead to results that may require material adjustments to the carrying value of assets and liabilities that are affected in the future.

The judgments, estimates and assumptions related to them are continuously reviewed, and adjustments to the estimates are recognized with future effect.

The significant judgments, assumptions and estimates set by management in applying the Group's accounting policies and significant sources of uncertainty in judgments, assumptions and estimates were similar to those set out in the Group's last annual consolidated financial statements, with the exception of the change in the useful life of some categories of property, plant and equipment, as the Group's management has changed the useful life of some categories of property, plant and equipment as follows:

Category	Old useful life	New useful life
	6 – 8 years or contract term which is lower	10 years or contract term which is lower
Leasehold improvements		
Furniture and fixtures	6 – 8 years	10 years
Machinery & Equipment	6 – 8 years	10 years

Notes to the interim condensed consolidated financial statements (unaudited) (continued)
For the nine months period ended September 30, 2023

3 - Accounting policies

The accounting policies applicable to these interim condensed consolidated financial statements are the same as those applicable to the consolidated financial statements for the year ended December 31, 2022, except as noted above regarding changes in the useful lives of certain category of property, plant and equipment.

4 - Adoption of new standards and amendments to existing accounting standards

New standards, interpretations and amendments effective in current year

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2022, except for the change mentioned in note 2 and the adoption of new standards effective as of January 1, 2023. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial information of the Company.

New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early, and they do not have a significant impact on the interim condensed consolidated financial information of the Group.

The most significant of these are as follows:

Standards	Title	Effective date
IAS1	Presentation of Financial Statements - Amendments regarding the classification of liabilities	1 January 2024
IFRS 16	Amendment to IFRS 16 – Leases on sale and leaseback	1 January 2024
IFRS10 & IAS28	Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28	Deferred
IAS 7 & IFRS 7	Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	1 January 2024
IAS 21	Amendments to IAS 21: <i>The Effects of Changes in Foreign Exchange Rates</i> : Lack of exchangeability: IAS 21 has been amended to specify how to assess whether a currency is exchangeable and how to determine a spot exchange rate if it is not. The IASB's amendments to IAS 21 require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.	1 January 2025 Earlier application permitted

Notes to the interim condensed consolidated financial statements (unaudited) (continued)
For the nine months period ended September 30, 2023

4 - Adoption of new standards and amendments to existing accounting standards (continued)

New standards, interpretations and amendments adopted by the Group

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after January 1, 2023:

- IFRS 17 Insurance Contracts
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12: In May 2023, the IASB issued an amendment to IAS 12, Income Taxes, relating to the International Tax Reform - Pillar Two Model Rules. This amendment applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development ("OECD"), including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendment requires entities to make additional disclosures in their annual financial statements regarding their current tax exposure to pillar two income taxes. Further, as required by the amendment, the Group has applied the mandatory temporary exception to neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

The standards and amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

There are no other amendments or interpretations that are effective for annual periods beginning on or after January 1, 2023 that have a material impact on the interim condensed consolidated financial information of the Group.

5 - Interim financial results for the period

The Group's management has prepared all the adjustments that are material in order to present the interim condensed consolidated financial statements fairly as at September 30, 2023 and the results of its interim condensed consolidated operations for the period then ended. The interim condensed consolidated financial results for that period may not represent an accurate indication of the financial results for the year ended December 31, 2023.

6 - Basis of consolidation

The interim condensed consolidated financial statements include parent and its subsidiary (the "Group") as detailed in Note 1-E.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

A subsidiary is an investee company that is controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of the subsidiary are consolidated in the interim condensed consolidated financial statements from the date of control over it to the Group, and these financial statements cease to be consolidated on the date that control ceases.

Balances between the parent company and the subsidiary, and any unrealized income or expense that may arise from intra-group transactions, are eliminated in preparing the interim condensed consolidated financial statements.

Unrealized losses are also eliminated in the same way as unrealized gains, only to the extent that there is no evidence of impairment.

Development Works Food Company
(Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements (unaudited) (continued)

For the nine months period ended September 30, 2023

(Saudi Riyals)

7 - Property, plant and equipment, net

A- This item consists of the following:

As at September 30, 2023 (unaudited)	Leasehold improvements	Furniture and fixtures	Machinery & Equipment	Vehicles	Computers	Total
Cost						
Balance, beginning of the period	38,900,280	12,829,166	13,511,549	4,841,043	1,471,950	71,553,988
Additions	-	70,736	42,406	63,000	11,701	187,843
Disposals	(195,348)	(421,882)	(331,040)	(106,800)	(800)	(1,055,870)
Balance, ending of the period	38,704,932	12,478,020	13,222,915	4,797,243	1,482,851	70,685,961
Accumulated depreciation						
Balance, beginning of the period	22,437,114	6,678,520	7,307,667	2,655,544	1,001,002	40,079,847
Charge for the period	2,742,518	1,282,215	1,179,027	427,499	160,348	5,791,607
Disposals	(135,624)	(302,861)	(247,342)	(78,962)	(788)	(765,577)
Balance, ending of the period	25,044,008	7,657,874	8,239,352	3,004,081	1,160,562	45,105,877
Net book value	13,660,924	4,820,146	4,983,563	1,793,162	322,289	25,580,084
As at December 31, 2022 (audited)						
Cost						
Balance, beginning of the year	37,501,515	12,078,319	11,930,971	5,088,478	1,390,411	67,989,694
Additions	1,509,017	2,161,445	2,207,451	40,627	88,216	6,006,756
Disposals	(110,252)	(1,410,598)	(626,873)	(288,062)	(6,677)	(2,442,462)
Balance, ending of the year	38,900,280	12,829,166	13,511,549	4,841,043	1,471,950	71,553,988
Accumulated depreciation						
Balance, beginning of the year	16,927,904	5,927,324	6,123,418	2,216,359	754,579	31,949,584
Charge for the year	5,533,569	1,786,573	1,618,021	586,915	250,586	9,775,664
Disposals	(24,359)	(1,035,377)	(433,772)	(147,730)	(4,163)	(1,645,401)
Balance, ending of the year	22,437,114	6,678,520	7,307,667	2,655,544	1,001,002	40,079,847
Net book value	16,463,166	6,150,646	6,203,882	2,185,499	470,948	31,474,141

Development Works Food Company
(Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements (unaudited) (continued)
For the nine months period ended September 30, 2023
(Saudi Riyals)

7 - Property, plant and equipment, net (continued)

- B- The Vehicles includes finance leased cars ending in ownership costing SAR 554,871 as at September 30, 2022 (December 31, 2022: SAR 554,871). The financial lease obligations related to these vehicles amounted to SAR 121,309 as at 30 September 2022 (December 31, 2022: SAR 435,655), and were included in the leases obligations (Note 8 – B).
- C- During the period, the Group contracted with an external expert (Kasab Management Consulting Company) for the purpose of evaluating the useful lives of some categories of property, plant and equipment. This led to an increase in the useful lives of the categories mentioned below and a reduction in the depreciation expense related to those categories for the nine-month period ending in September 30, 2023, amounting to SR 1,461,671, as follows:

Category	For the nine-month period ended September 30 2023 (unaudited)		
	Depreciation expense Before adjustments	Adjustments	Depreciation expense After adjustments
Leasehold improvements	2,106,642	(1,276,772)	829,870
Furniture and fixtures	124,860	(76,255)	48,605
Machinery & Equipment	164,278	(108,644)	55,634
Total	2,395,780	(1,461,671)	934,109

Total effect on deprecation expense:

For the nine months period ended September 30 2023 (unaudited)		
Depreciation expense Before adjustments	Adjustments	Depreciation expense After adjustments
7,253,281	(1,461,671)	5,791,607

- D- The following is a summary of the effects on the items in the interim condensed consolidated financial statements:

Category	For the nine months period ended September 30 2023 (unaudited)		
	Before adjustments	Adjustments	After adjustments
Interim condensed consolidated statement of financial position			
Property, plant and equipment, net	24,118,413	1,461,671	25,580,084
Accumulated losses	(4,366,631)	1,461,671	(2,904,960)
Interim condensed consolidated statement of profit or loss			
Expenses	76,189,359	(1,461,671)	(74,727,688)
Net loss for the period	(3,298,716)	1,461,671	(1,837,045)
Loss per share	(1.10)	0.47	(0.63)

Development Works Food Company
(Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements (unaudited) (continued)
For the nine months period ended September 30, 2023
(Saudi Riyals)

8 - Right of use assets, net and leases obligations

A- The following is the movement on the right of use assets:

	September 30, 2023 (unaudited)	December 31, 2022 (audited)
Cost		
Balance, at the beginning of the period / year	57,970,572	59,531,017
Additions during period / year	3,727,290	8,290,915
Disposals during period / year	(397,724)	(9,851,360)
Balance, ending of the period / year	61,300,138	57,970,572
Accumulated depreciation		
Balance, beginning of the period / year	38,214,170	30,999,357
Charged for the period / year	9,732,474	13,415,918
Disposals by period / year	(65,743)	(6,201,105)
Balance, at the end of the period / year	47,880,901	38,214,170
Net book value	13,419,237	19,756,402

B- The following is the movement on leasing obligations:

	September 30, 2023 (unaudited)	December 31, 2022 (audited)
Balance, at the beginning of the period / year	16,774,130	24,354,707
Additions during period / year	3,727,290	8,246,941
Interest cost for period / year	318,897	989,250
Disposals during the period / year	(340,989)	(3,676,560)
Paid during the period / year	(10,666,838)	(13,140,208)
Balance, at the end of the period / year	9,812,490	16,774,130
Non-current portion	4,512,884	5,829,706
Current portion	5,299,606	10,944,424

9 - Investment in an Associate

A- The Group invested in Ajdan Fruits and Vegetables Company (a Limited Liability Company) with 24.5% (indirect ownership percentage) of its capital amounting to SAR 500,000. The activity of the associate company is the cooling and freezing of fruits, the cooling and freezing of vegetables, the drying and packing of dates and the manufacture of their products, the drying and packaging of grapes and figs and the manufacture of their products, the wholesale of fruits and oily fruits, the wholesale of fruits, the wholesale of vegetables, the wholesale of honey, the retail sale of dates, the retail sale of nuts, coffee, spices and perfumery.

B- The following is the movement in the carrying amount of investment in an associate:

	September 30, 2023 (unaudited)	December 31, 2022 (audited)
Balance, at the beginning of the period / year	176,578	176,578
Provision for impairment of the investment	(176,578)	(176,578)
Balance, at the end of the period / year	-	-

C- A provision for impairment of the investment value has been recognized at full value, as the Associate is under liquidation.

Development Works Food Company
(Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements (unaudited) (continued)
For the nine months period ended September 30, 2023
(Saudi Riyals)

10 - Long term murabaha loans and sukuk

- A- During 2016, the parent company (Development Works Food Company) entered into a bank facility agreement in the form of a long-term loan with a local bank amounting to SAR 10 million, secured by personal guarantees, undertakings and bonds issued by the main shareholders, to finance the expansion of the Group's branches. This loan is payable over a period of 60 months.
- B- During 2017, the parent company (Development Works Food Company) entered into a bank facility agreement in the form of a long-term loan with a local bank amounting to SAR 10 million, secured by personal guarantees, pledges and bonds issued by the main shareholders, to finance the expansion of the Group's branches. This loan is payable over a period of 64 months.
- C- During 2018, the parent company (Development Works Food Company) entered into a bank facility agreement in the form of a long-term loan with a local bank amounting to SAR 10 million (long-term loan) and SAR 3 million (short-term), secured by personal guarantees, undertakings and bonds issued by the main shareholders, to finance the expansion of the Group's branches. This loan is payable over a period of 48 months.
- D- During 2020, the parent company (Development Works Food Company) entered into a bank facility agreement in the form of a short-term loan with a local bank amounting to SAR 10 million, secured by personal guarantees, pledges and bonds issued by the main shareholders, to finance the expansion of the Group's branches.
- E- During 2022, the parent company (Development Works Food Company) entered into a Murabaha Sukuk program agreement through one of the local financial companies (as described in the following paragraph below), to issue Murabaha Sukuk to finance the working capital and capital expansions of the Group with a total amount of SAR 20,000,000 million. The first issuance is SAR 5,000,000 (5,000 Sukuk, Nominal Value of SAR 1,000) at a rate of 9.84%, and is payable quarterly for a period of one year ending in January 1, 2024.
- Development Sukuk: Sukuk Development entity (the "entity"), a Special Purposes Entity, was established with Articles of Association on January 10, 2023 and license number SPE00167 dated January 25, 2023 and validity for a period of five years, in accordance with the Rules Governing Special Purposes Entities issued by the Board of the Saudi Capital Market Authority. The purpose of the entity is to obtain financing by issuing debt-based debt instruments, issuing shares for incorporation purposes, in the name of a trustee of Special Purposes Entity, the supporting activities necessary to achieve its objectives. The entity was incorporated and its 1,000 shares without nominal value registered in the name of the trustee of the special purpose entity and the trustee is not the owner of it and may not dispose of any of these shares or make any structural changes in the entity except after the approval of the Authority. The trustee of the SPV is Dinar Investment Company, a limited liability company whose business activity is technology in finance in the securities business.
- The loans incurs financing costs at the prevailing interbank market rates in Saudi Arabia plus the agreed margin.

- F- The following is the movement of long term murabaha loans and sukuk

	September 30, 2023	December 31, 2022
	(unaudited)	(audited)
Balance, at the beginning of the period / year	18,536,526	28,641,342
Received during period / year	13,241,640	5,338,251
Financing cost for period / year	685,190	314,329
Paid during the period / year	(16,669,779)	(15,757,396)
Balance, at the end of the period / year	15,793,577	18,536,526
Non-current portion	7,397,857	7,397,857
Current portion	8,395,720	11,138,669

Development Works Food Company
(Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements (unaudited) (continued)
For the nine months period ended September 30, 2023
(Saudi Riyals)

11 - Sales, net

Segment information:

A segment is an essential part of the Group and provides certain products or services (business segment) or provides products or services in a specific economic environment (geographical segment), and its profits and losses differ from those of other segments. And since the main activity of the group consists of one main sector, represented in selling fruit products and juices using the "Juice Time" and "Cuznos" trademarks, and other materially insignificant activities including food activities using the "Jamrati" brand, the other activities did not fulfill any of the Quantitative limits for revenues, profits, or assets to be reported separately as an operating segment in accordance with the requirements of International Financial Reporting Standard (8) "Operating Segments" to display operating segments, and all its activities are carried out in the Kingdom of Saudi Arabia, so the Group has prepared segment information according to geographical areas within the Kingdom of Saudi Arabia Saudi Arabia is as follows:

	September 30, 2023	September 30, 2022
Sales by region	(unaudited)	(unaudited)
Central region	53,702,523	59,873,830
Western region	11,446,908	12,274,081
Southern region	5,589,567	6,624,689
Total	70,738,998	78,772,600

Revenue is recognized at a point in time. Performance obligations are fulfilled when the service is provided to the customer, there is no transaction price to be distributed to the performance obligations that have not been fulfilled or remaining.

12 - Related Parties

There are transactions that took place during the period with related parties within the normal course of the Group's business and with the approval of the management. The management believes that the terms of these transactions are not materially different from any transactions carried out by the management with any third party. This item consists of the following:

A- The following is the balance due from the related party:

	September 30, 2023	December 31, 2022
Name of the related party	(unaudited)	(audited)
Ajdan Company for Vegetables and Fruits	150,269	150,269
Provision for expected credit losses	(150,269)	(150,269)
Net	-	-

Development Works Food Company
(Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements (unaudited) (continued)
For the nine months period ended September 30, 2023
(Saudi Riyals)

12 - Related Parties (continued)

B- The following are the most significant transactions made with related parties:

Related Party	Nature of the relationship	Transaction Type	Sep 30, 2023 (unaudited)	December 31, 2022 (audited)
Feddan Fruit Company for vegetables and fruits	Subsidiary	Dividends	352,996	307,298
		Purchases	8,338,030	14,278,705
		Payment	7,019,000	12,990,000
		Custody	-	204,222
		Reconciliations	-	37,335
Board of Directors	Board Members and Governance Officers	Meeting attendance fees and remuneration (Note 21)	488,131	-
		Payment of meeting attendance fees and bonuses (Note 21)	488,131	51,000
Senior Management and Senior Executives	Employees	Salaries and other benefits	1,125,000	1,547,875

Compensation of Senior Management and Senior Executives

Senior Management and Senior Executives compensation are those amounts paid to persons who have the authority and responsibility to plan, direct and control the activities of the group, directly or indirectly, including any director (whether executive or otherwise) where the compensation of senior management includes short-term benefits, long-term benefits, post-employment benefits, and end-of service benefits.

13 - Zakat Status

Development Works Food Company

The Company completed its Zakat status until 2017. The Company submitted Zakat decisions and standalone financial statements prepared for a special purpose to the Zakat, Tax and Customs Authority ("ZATCA") until 2022, and it has received the required certificates. The following is a summary of the outstanding zakat assessment:

Year	Assessment amount	Zakat Status
2018	450,118	The Company objected to the Zakat assessment and it was rejected by ZATCA, and the Company escalated the objection to the tax committees and has not yet decided on it.
2019	67,456	The Company received a Zakat assessment for SAR 67,456 and it was not objected to by the management.
2020	448,481	The Company objected to the zakat assessment and it was rejected by the Authority, and the company escalated the objection to the tax committees and has not yet decided on it.
2021 and 2022	-	The Company has received inquiries from the ZATCA and is being processed by the management.

Feddan Fruit Company for vegetables and fruits

The subsidiary submitted its Zakat returns and financial statements to the ZATCA for all years from the beginning of its establishment until 2022, paid its due under those declarations and obtained the required certificates for those years. No assessments received till date.

Development Works Food Company
(Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements (unaudited) (continued)
For the nine months period ended September 30, 2023
(Saudi Riyals)

14 - Earnings (loss) per share

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

	For the three months period ended September 30		For the nine months period ended September 30	
	2023	2022	2023	2022
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Earnings / (loss) for the period attributable to shareholders of the parent company	534,932	442,661	(1,881,595)	1,190,939
Weighted average number of shares	3,000,000	3,000,000	3,000,000	3,000,000
Basic and diluted earnings per share	0.18	0.15	(0.63)	0.40

15 - Financial information related to the subsidiary

The following is a summary of the total financial information relating to the Group's subsidiary, representing the amounts before eliminations between Group companies:

	Statement of Financial Position	
	September 30, 2023 (unaudited)	December 31, 2022 (audited)
Assets:		
Non-current assets	792,688	1,147,490
Current Assets	3,318,099	2,546,352
Total assets	4,110,787	3,693,842
Equity and Liabilities:		
Equity:		
Total Equity	796,390	1,152,167
Liabilities:		
Non-current liabilities	313,032	296,432
Current liabilities	3,001,365	2,245,243
Total liabilities	3,314,397	2,541,675
Total Equity and Liabilities	4,110,787	3,693,842

	Statement of profit or loss and other comprehensive income			
	For the three months period ended September 30		For the nine months period ended September 30	
	2023	2022	2023	2022
	(Unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales	2,888,456	3,345,310	8,614,687	12,800,232
Cost of sales	(2,426,055)	(2,522,723)	(6,786,751)	(9,753,865)
Expenses and income	(549,344)	(621,494)	(1,679,435)	(2,014,017)
Net (loss) / profit for the period	(86,943)	201,093	148,501	1,032,350

Notes to the interim condensed consolidated financial statements (unaudited) (continued)
For the nine months period ended September 30, 2023
(Saudi Riyals)

16 - Financial instruments, risk management and fair value

Financial instruments

Financial instruments included in the interim condensed consolidated statement of financial position include mainly prepaid expenses, other assets, receivables, cash and cash equivalents, long-term loans, accrued expenses, other liabilities and payables.

Risk management

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

Credit risk

Credit risk is the risk of financial loss faced by the Group in the event that the customer or counterparty of a financial instrument fails to meet its contractual obligations, and arises primarily from cash, deposits with banks, amounts due from customers and amounts due from the related party. The maximum credit risk exposure represents the carrying amount of these assets.

The cash balance is represented in current accounts, and where cash is deposited with financial institutions with a high credit rating, management believes that the Group is not exposed to material risk. Customer-related credit risk is managed by a business unit subject to the Group's policies, procedures and controls on the management of credit risk related to customers. Credit limits are established for all customers using internal and external rating standards and controls. Credit quality is evaluated related to customers according to a credit rating system. Outstanding receivables are monitored regularly. The Group has formed a provision for expected credit losses in full amounts due from the related party.

The credit risk to which the Group is exposed is as follows:

	September 30, 2023	December 31, 2022
	(unaudited)	(audited)
Accounts receivables	7,050,701	6,374,009
	7,050,701	6,374,009

Market risk

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

Foreign exchange risk: Foreign exchange risk results from changes and fluctuations in the value of financial instruments as a result of a change in foreign exchange rates. The Group's foreign exchange risk management aims to protect future cash flows in Saudi Riyals. Foreign exchange exposures related to cash flows are considered at the Group level and consist primarily of currency exchange risk resulting from payables and receivables. The Group's management monitors currency exchange rates and believes that the risk of fluctuations in currency exchange rates is ineffective as most of the Group's financial transactions are carried out in Saudi Riyals.

Development Works Food Company
(Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements (unaudited) (continued)
For the nine months period ended September 30, 2023
(Saudi Riyals)

16- Financial instruments, risk management and fair value (continued)

Market risk (continued)

Commission rate risk: Commission risk appears from possible changes and fluctuations in commission rates affecting future profit or fair values of financial instruments and the Group monitors commission rate fluctuations and believes that the impact of commission rate risk is ineffective.

Interest rate risk

The Group manages interest rate risk through the use of debt and fixed rate deposits. The Group does not have any floating rate assets and liabilities. The management estimated that the effect on the results of the business for the period due to the increase or decrease in the interest rate is not significant.

Capital risk

The main objective of the Company's capital management is to support its business and increase the return on shareholders.

The Group's policy is to maintain a strong capital base to maintain the confidence of users of consolidated financial statements and maintain the future development of the business. The Group manages its capital structure and adjusts it in light of changes in economic conditions. Management monitors the return on capital, which is determined by the Group as the result of operating activities divided by total equity.

There have been no changes in the way the group is in capital management during the year. Management also monitors the level of dividends to owners. The Group is subject to capital requirements by banks that have provided loans and credit facilities to the Group. The Group is committed to these requirements.

The following is an analysis of the Group's debt to equity ratios:

	September 30, 2023	December 31, 2022
	(unaudited)	(audited)
Total liabilities	41,766,982	48,070,374
Less: cash and cash equivalents	(3,070,667)	(2,748,754)
Net liabilities	38,696,315	45,321,620
Net equity	27,634,748	29,623,075
Liability to equity	1.40	1.53

Liquidity risk

Liquidity risk represents the difficulties faced by the Company in meeting its obligations in relation to its financial liabilities. The Group's approach to liquidity risk management is to hold sufficient cash and cash equivalents and ensure the availability of funding.

Management monitors liquidity shortfall risks using forecast models to determine the effects of operating activities on overall liquidity availability, and maintains an available cash flow ratio, ensuring debt is repaid at maturity.

Development Works Food Company
(Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements (unaudited) (continued)
For the nine months period ended September 30, 2023
(Saudi Riyals)

16 - Financial instruments, risk management and fair value (continued)

Liquidity risk (continued)

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

As at September 30, 2023 (unaudited)	1 to 12 months	1 to 5 years	Total
Lease obligations	5,299,606	4,512,884	9,812,490
Long term murabaha loans and sukuk	8,395,720	7,397,857	15,793,577
Accrued expenses and other liabilities	5,605,875	-	5,605,875
Accounts payable	8,048,852	-	8,048,852
Zakat provision	179,154	-	179,154
	27,529,207	11,910,741	39,439,948

As at December 31, 2022 (audited)	1 to 12 months	1 to 5 years	Total
Lease obligations	10,944,424	5,829,706	16,774,130
Long term murabaha loans and sukuk	11,138,669	7,397,857	18,536,526
Accrued expenses and other liabilities	5,264,756	-	5,264,756
Accounts payable	5,135,822	-	5,135,822
Zakat provision	282,304	-	282,304
	32,765,975	13,227,563	45,993,538

Fair value

Fair value is the price that can be received when an asset is sold or paid when an obligation is transferred in normal transactions between market participants at the measurement date. The fair value measurement assumes that the transaction of the sale of the asset or the transfer of liabilities occurs either:

- In the main market of the asset or liabilities; or
- In the best market suitable for the asset or commitment in the absence of a major market.

The main market or the most viable market must be available to the Group.

The fair value of an asset or liability is measured using the assumptions used by market players when pricing an asset or liability, assuming that these parties seek the greatest economic benefit for them. Measuring the fair value of a non-financial asset considers the ability of market parties to generate economic benefits by using the asset to make the best use of it or selling it to another market party to use it for the best benefit from it.

The group uses contextually appropriate valuation methods that have sufficient data to measure fair value, demonstrate the use of relevant observable inputs and minimize the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed are classified in the interim condensed consolidated financial statements within the fair value hierarchy, as shown as follows, based on the lowest significant income level for the fair value measurement as a whole:

- Level 1 - Prices traded (without adjustment) in active markets for similar assets or liabilities.
- Level 2 - Valuation methods in which the minimum intrusion is directly or indirectly noticeable to measure fair value.
- Level 3 - Valuation techniques at which the lowest income level can be observed that is important for measuring fair value.

Development Works Food Company
(Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements (unaudited) (continued)
For the nine months period ended September 30, 2023
(Saudi Riyals)

16 - Financial instruments, risk management and fair value (continued)

Fair value (continued)

If the inputs used to measure the fair value of an asset or liability fall at different levels of the fair value hierarchy, the measurement is classified entirely within the same level of the hierarchy as the lowest input level that is considered to be substantially as a whole.

The group establishes the transfers between the levels of the fair value hierarchy at the end of the reporting period in which the change occurred.

The following table shows the book value of financial assets and liabilities, and this does not include fair value information for financial assets and liabilities as the book value represents a reasonable estimate of fair value.

	Book value	
	September 30, 2023 (unaudited)	December 31, 2022 (audited)
Financial assets		
Accounts receivables, net	6,524,008	5,847,316
	6,524,008	5,847,316
Financial liabilities		
Long term murabaha loans and sukuk	15,793,577	18,536,526
Accounts payable	8,048,852	5,135,822
	23,842,429	23,672,348

Development Works Food Company
(Saudi Joint Stock Company)

Notes to the interim condensed consolidated financial statements (unaudited) (continued)
For the nine months period ended September 30, 2023
(Saudi Riyals)

17- Contingent liabilities and outstanding issues

- A- The Group (as the plaintiff) filed lawsuits against a number of customers (defendants) demanding that they recover outstanding debts amounting to SR 3,968,836. A ruling was issued in favor of the Group for a number of cases in the amount of SR 2,820,555, and a preliminary ruling was issued in a case amounting to SR 255,627, and no ruling was issued in a case amounting to SR 892,654. The group's management believes that the case without a ruling is very good. An enforcement request has been filed for the amounts ruled in favor of the group.
- B- The Group (as the plaintiff), filed lawsuits worth SR 170,559 against a number of former employees of the Group (as defendants) and an execution decision was issued by the court obliging the defendants to pay the said amounts. A request for execution was filed with the amounts awarded in favor of the Group.
- C- The Group has filed a lawsuit against one of the partners in the Associate Company (Ajdan Fruits and Vegetables Company) to oblige him solely to bear responsibility for all the Group's losses without any responsibility on the Group. The case was registered with the Commercial Court and the case was reserved for study and deliberation.

18- Reclassification

Some comparative year figures have been reclassified to align with the current period classification.

19- Dividends

The shareholders of the subsidiary (Feddan Fruit Company for vegetables and fruits) agreed to distribute dividends of SAR 504,278 each according of ownership in the share capital.

20- Subsequent events

Management believes that no significant subsequent events after the date of the interim condensed consolidated financial statements and prior to the issuance of these interim condensed consolidated financial statements require amendment or disclosure.

21- Significant matters

On June 18, 2023, the shareholders' general assembly was held, and the they have not approved to release of the members of the Board of Directors from liability for the fiscal year ending in December 31, 2022, and it also refused to pay an amount of SR 939,000 as bonuses and allowances to members of the Board of Directors and its committees for the year ending on December 31, 2022 (Note 12).

22- Approval of interim condensed consolidated financial statements

The interim condensed consolidated financial statements were approved by the Board of Directors after the recommendation of the members of the audit committee to approve them on 25 Rabi-Al-Thani, 1445AH (corresponding to 9 November, 2023)