



WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY

(Saudi Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS

For the three month and nine-month period ended 30 September 2023

Together with The Independent Auditor's Review Report

WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY

(Saudi Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS

And Independent Auditor's Review Report

FOR THE THREE AND NINE-MONTHS PERIODS ENDED 30 SEPTEMBER 2023

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**PKF****Ibrahim Ahmed Al-Bassam
& Co. Certified Public Accountants****INDEPENDENT AUDITOR'S REVIEW REPORT ON THE
INTERIM CONDENSED FINANCIAL STATEMENTS****TO THE SHAREHOLDERS OF WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY
JOINT STOCK COMPANY
RIYADH, KINGDOM OF SAUDI ARABIA**

(1 / 1)

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of Wafrah for Industry and Development Company (the "Company") as at 30 September 2023 and the related interim statement of profit or loss and other comprehensive income, for the three-month and nine-month periods then ended, and the interim statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed 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 financial statements based on our review.

SCOPE OF REVIEW

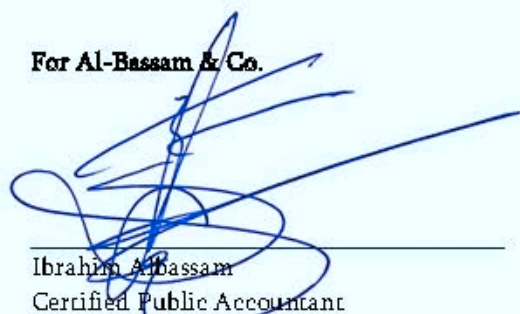
We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements consists of making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

CONCLUSION

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

OTHER MATTER

The interim condensed financial statements of the Company for the three-month and nine-month periods ended 30 September 2022, were reviewed by another auditor who expressed an unmodified conclusion on those interim condensed financial statements on 2 November 2022. In addition, the financial statements of the Company for the year ended 31 December 2022, were audited by another auditor, who expressed an unmodified opinion on those financial statements on 28 March 2023.

For Al-Bassam & Co.


Ibrahim Al-Bassam
Certified Public Accountant
License No. 337

Riyadh: 22 Rabi'-Al-Thani 1445 H
Corresponding to: 6 November 2023

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WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY

(Saudi Joint Stock Company)

INTERIM STATEMENT OF FINANCIAL POSITION

As of 30 September 2023.

(All amounts in Saudi Arabian Riyals unless otherwise stated)

	Note	30 September 2023 (Unaudited)	31 December 2022 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		80,325,539	82,983,772
Capital work in progress	6	74,799,235	-
Right-of-use assets		3,654,242	2,917,795
Intangible assets		399,917	548,038
Equity investments carried at FVOCI		438,672	438,672
Total Non-Current Assets		159,617,605	86,888,277
Current Assets			
Trade receivables, net		57,015,738	53,859,273
Inventory, net		23,614,398	20,704,936
Prepayments and other received		12,512,406	20,842,273
Due from related parties	7/a	935,456	1,391,306
Financial assets at amortized cost – term deposit	8	-	121,406,167
Cash and cash equivalents	9	67,835,131	5,914,288
Total Current Assets		161,913,129	224,118,243
TOTAL ASSETS		321,530,734	311,006,520
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11	231,511,050	231,511,050
FVOCI reserve		(817,027)	(817,027)
Employee end-of-service benefits provision		699,805	699,805
Retained earnings / (losses)		5,545,013	(9,686,142)
TOTAL EQUITY		236,938,841	221,707,686
LIABILITIES			
Non-Current Liabilities			
Loan guarantee provision - related party- non-current portion		2,390,935	2,540,938
Lease liabilities for right-of- use assets - non-current portion		3,237,825	2,611,110
Employee end-of-service benefits		5,754,463	5,772,867
Total non-current liabilities		11,383,223	10,924,915
Current Liabilities			
Loan guarantee provision - related party		4,327,543	4,177,540
Trade payables		24,002,054	23,461,342
Lease liabilities for right-of- use assets - non-current portion		458,501	485,088
Accrued expenses and other payables		8,230,806	7,150,501
Refunds obligation		2,036,115	441,186
Rights-issue and Shareholders' accruals		25,882,549	25,913,228
SIDF Loan	10	4,000,000	12,000,000
Zakat provision	12/1	4,271,102	4,745,034
Total Current Liabilities		73,208,670	78,373,919
TOTAL LIABILITIES		84,591,893	89,298,834
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		321,530,734	311,006,520

"The accompanying notes from (1) to (19) are form integral part of these interim condensed financial statements"

Chief Financial Officer

Ahmed Abdullah
Saleh Al-Daham

Chief Executive Officer

Muhammad Abdulaziz
Abdullah Al-Fadhli

Managing Board Member

Maged Ibrahim Al-Otaibi

WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY

(Saudi Joint Stock Company)

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE AND NINE-MONTHS PERIODS ENDED 30 SEPTEMBER 2023

(All amounts in Saudi Arabian Riyals unless otherwise stated)

	Note	For the three- months period ended 30 September		For the nine-months period ended 30 September	
		2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Sales, net	15	46,706,444	28,881,635	125,007,707	96,440,282
Cost of sales		(31,367,314)	(19,322,654)	(82,258,738)	(60,838,385)
Gross profit		15,339,130	9,558,981	42,748,969	35,601,897
General and administrative expenses		(4,916,191)	(3,367,572)	(13,928,362)	(8,803,095)
Selling and marketing expenses		(5,304,575)	(3,679,363)	(14,865,038)	(10,903,891)
Operating income		5,118,364	2,512,046	13,955,569	15,894,911
Provision for expected credit losses		(409,906)	-	(983,996)	(1,113,517)
Provision for impairment of prepayments and other receivables		(883,237)	-	(883,237)	-
Finance cost		(25,466)	(252,445)	(402,522)	(741,627)
Other income / (expenses). net		1,783,844	474,966	5,718,756	441,049
Reversal of loan guarantee provision – related party		-	482,112	-	482,112
Net profit for the period before zakat		5,583,599	3,216,679	17,404,570	14,962,928
Zakat charge	12/1	(525,214)	(200,000)	(2,173,415)	(770,289)
Net profit for the period		5,058,385	3,016,679	15,231,155	14,192,639
Items of the other comprehensive					
income for the period					
Items cannot be reclassified					
subsequently to profit or loss:					
Losses on fair value changes in equity investments carried at FVOCI		(61,688)	(44,289)	-	(236,208)
Total other comprehensive loss for the period		(61,688)	(44,289)	-	(236,208)
Total comprehensive income for the period		4,996,697	2,972,390	15,231,155	13,956,431
Earnings per share:					
Basic and diluted earnings per share from the net profit net income for the period	13	0.22	0.30	0.66	1.43

“The accompanying notes from (1) to (19) are form an integral part of these interim condensed financial statements”

Chief Financial Officer

Ahmed Abdullah Saleh Al
Daham



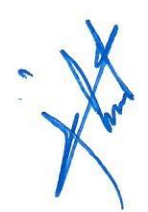
Chief Executive Officer

Muhammad Abdulaziz
Abdullah Al-Fadhli



Managing Board Member

Maqad Ibrahim Al-Otaibi



WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY
(Saudi Joint Stock Company)
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(All amounts in Saudi Arabian Riyals unless otherwise stated)

	Share capital	FVOCI reserve	Employee end-of- service benefits provision	Retained (losses) /earnings	Total
For the nine-month period ended 30 September 2022					
Balance on 1 January 2022 (Audited)	77,170,350	(531,258)	(33,914)	(23,745,401)	52,859,777
Net profit for the period	-	-	-	14,192,639	14,192,639
Other comprehensive loss for the period	-	(236,208)	-	-	(236,208)
Total comprehensive (loss) / income for the period	-	(236,208)	-	14,192,639	13,956,431
Capital increase via rights-issue (Note 1)	154,340,700	-	-	-	154,340,700
Rights shares issue cost (Note 1)	-	-	-	(4,932,899)	(4,932,899)
Balance as of 30 September 2022 (Unaudited)	231,511,050	(767,466)	(33,914)	(14,485,661)	216,224,009
For the nine-month period ended 30 September 2023					
Balance on 1 January 2023 (Audited)	231,511,050	(817,027)	699,805	(9,686,142)	221,707,686
Net profit for the period	-	-	-	15,231,155	15,231,155
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	15,231,155	15,231,155
Balance as of 30 September 2023 (Unaudited)	231,511,050	(817,027)	699,805	5,545,013	236,938,841

“The accompanying notes from (1) to (19) are form an integral part of these interim condensed financial statements”

Chief Financial Officer

Ahmed Abdullah Saleh Al
Daham



Chief Executive Officer

Muhammad Abdulaziz
Abdullah Al-Fadhli



Managing Board Member

Maged Ibrahim Al-Otaibi



WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY
(Saudi Joint Stock Company)
INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023
(All amounts in Saudi Arabian Riyals unless otherwise stated)

	Note	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Net profit for the period before zakat		17,404,570	14,962,928
Adjustments for:			
Depreciation of property, plant and equipment		5,068,109	5,408,390
Depreciation of right-of-use assets		416,281	359,991
Amortization for intangible assets		148,121	137,700
Settlements of right-of-use assets and liabilities against right-of-use assets		(309,738)	-
Provision for expected credit losses		983,996	1,113,519
Provision for impairment of prepayments and other receivables		883,237	-
Finance cost		402,522	741,627
Refunds obligation		1,594,929	1,193,814
Employee end-of-service benefits		689,538	596,294
		27,281,565	24,514,263
<u>Changes in:</u>			
Trade receivables		(4,140,461)	(18,739,684)
Inventory		(2,909,462)	(2,486,845)
Due from related party		455,850	-
Prepayments and other received		7,446,629	(5,849,331)
Trade payables		540,712	(9,631,811)
Accrued expenses and other payables		1,080,306	(386,960)
Cash flows generated from / (used in) operating activities		29,755,139	(12,580,368)
Zakat paid	12/1	(2,647,347)	(1,986,336)
Employee end-of-service benefits paid		(707,942)	(517,659)
Net cash flows generated from / (used in) operating activities		26,399,850	(15,084,363)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Proceeds from Financial assets at amortized cost – term deposit		121,406,167	-
Paid for the purchase of property, plant and equipment		(2,409,876)	(753,765)
Paid for the purchase of Capital work in progress	6	(74,799,235)	-
Cash flows generated from / (used in) investing activities		44,197,056	(753,765)
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>			
Lease liabilities paid		(242,862)	(237,126)
Loans paid	10	(8,000,000)	(8,000,000)
Rights-issue and Shareholders' accruals changes		(30,679)	24,737,191
Finance cost paid		(402,522)	(547,627)
Net proceeds from capital increase		-	149,407,801
Loan guarantee provision - related party		-	(482,112)
Cash flows (used in) / generated from financing activities		(8,676,063)	164,878,127
Change in cash and cash equivalents balances during the period		61,920,843	149,039,999
Cash and cash equivalents balances at beginning of the period		5,914,288	9,330,328
Cash and cash equivalents balances at end of the period		67,835,131	158,370,327
<u>Non-Cash Transactions</u>			
Net Change in Fair Value reserve		-	(236,208)
Additions in right-of-use assets		316,350	545,247

"The accompanying notes from (1) to (19) are form an integral part of these interim condensed financial statements"

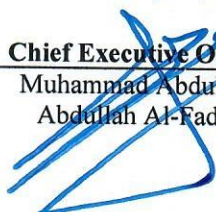
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Daham



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Managing Board Member

Maged Ibrahim Al-Otaibi



WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY

(Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts in Saudi Arabian Riyals unless otherwise stated)

1. ORGANIZATION AND ACTIVITY

Wafrah for Industry and Development Company is a Saudi Joint Stock Company registered under commercial registration No. 1010076996 issued in Riyadh on 24/10/1410 corresponding to 18/5/1990.

The share capital of the Company, amounting to SAR 200 million, consisting of 20 million shares of par value of SAR 10 each, during 2020, the Company's share capital was reduced by amortizing the accumulated losses to SAR 77,170,350 from 7,717,035 shares of SAR 10 each.

During 2022, the Company's share capital was increased via rights-issue to reach SAR 231,511,050 with total number of shares 23,151,105 shares of SAR 10 each.

The Company's activities are the production of fresh, chilled and frozen meat, the manufacture of food products manufactured from potatoes, including (potato chips), the manufacture of cereal breakfast foods in the form of chips, and includes (corn flakes, chips ... etc.) and the manufacture of pasta of various kinds.

The Company's fiscal year starts at the beginning of January and ends at the end of December of the same year.

The accompanying interim condensed financial statements include the Company's accounts and branch's which are as follows:

Branch Name	CR No.	Activity
Wafrah for Industry and Development Co. – Jeddah	4030108227	Marketing of the company's products.
Wafrah for Industry and Development Co. – Dammam	2050028895	Wholesale of food and beverages.
Wafrah for Industry and Development Co. – Tabuk	3550151951	Shipping, storing and trading
Wafrah for Industry and Development Co. – Al-Kharj	1011016029	Feed production
Branch of Wafrah for Industry and Development Al-Kharj	1011016028	Drying and packing dates and Manufacture of their products
Wafrah for Industry and Development Co. – Khamis Mushait	5855339110	Marketing of the company's products.
Wafrah Food Factory- Riyadh	1010320953	Producing olive oil
Wafrah Pasta and Noodles Factory	1010320947	Manufacturing pasta of various kinds.
Wafrah Food Factory	1010320946	Manufacturing Foods from grains.
Wafrah Factory for Grain Products	1010320952	Manufacturing Foods from grains.
Wafrah Food Factory	1010320955	Producing frozen and Chilled meats
Wafrah Factory for Freezing Vegetables	1010320956	Manufacturing Pickles

WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY

(Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts in Saudi Arabian Riyals unless otherwise stated)

2- Basis for preparation

2.1 The adopted Accounting Standards

These interim condensed financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting," as adopted in Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants. These interim condensed financial statements should be read in conjunction with the Company's financial statements for the year ended December 31, 2022. These interim condensed financial statements do not include all of the information required to prepare a complete set of financial statements prepared in accordance with International Financial Reporting Standards, but accounting policies and accompanying notes have been included to explain important events and transactions to understand the changes in the financial position and financial performance of the company since the latest financial statements.

The results for the nine-month period ending 30 September 2023 are not necessarily indicative of the results that can be expected for the fiscal year ending 31 December 2023.

2.2 Bases of measurement

These interim condensed financial statements are prepared under historical cost method, except for the following certain items in the interim condensed balance sheet:

- Investments are measured at fair value through the statement of other comprehensive income.
- Employee end-of-service benefits are recognized at the present value of future obligations using projected credit unit method.

2.3 Functional and presentation currency:

The financial statements are presented in Saudi Arabian Riyals, which is the functional and presentation currency of the company. All amounts have been rounded off to the nearest SAR, unless otherwise stated.

3. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

There are new standards and a number of amendments to the standards that are effective as of 1 January 2023, and they were clarified in the company's annual financial statements, but they do not have a material impact on the company's interim condensed financial statements.

3-1 Standards issued that have not yet been effective.

The following is a statement of the new standards and amendments to the standards applied for the years beginning on or after 1 January 2024.

3-1-1 IFRS Sustainability S1

The objective of IFRS S1 is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to users of general-purpose financial reports in making decisions relating to providing resources to the entity.

3-1-2 IFRS Sustainability S2

The objective of IFRS S2 is to require an entity to disclose information about its climate-related risks and opportunities that are reasonably expected to affect an entity's cash flows, access to finance or cost of capital in the short, medium or long term.

WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY

(Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts in Saudi Arabian Riyals unless otherwise stated)

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the preparation of these financial statements, management has made judgments and estimates that affect the application of accounting policies and the amounts reported for assets, liabilities, income, and expenses. The estimates and related assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant Judgements made by management in the application of the Group's accounting policies and the key sources of estimation uncertainty were similar to those disclosed in the latest annual financial statements.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in preparing the interim condensed financial statements are consistent with the policies applied in preparing the annual financial statements of the company for the year ended 31 December 2022.

5.1 Capital work in progress

Capital works in progress are not depreciated.

Capital work in progress at period end includes certain assets that have been acquired but are not ready for their intended use. These assets are transferred to relevant assets categories and are depreciated once they are available for their intended use.

The assets' residual values, useful lives and impairment indicators are reviewed at each financial year end and adjusted prospectively, if considered necessary.

If significant parts of an item of property, plant and equipment have different useful lives then they are accounted for as separate items of property, plant and equipment.

6. Capital work in progress

The value of Capital work in progress as of 30 September 2023 (Unaudited) represents the amount of SAR 74,799,235 (2022 "Audited": nothing) which is advance payments for the purchase of new production lines, machinery and equipment.

WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY

(Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023****(All amounts in Saudi Arabian Riyals unless otherwise stated)****7. RELATED PARTY TRANSACTIONS**

Related party transactions are with the associate companies, non-executive board members, directors, and key management of the company, key management personnel are those who have authority and responsibility in directly or indirectly planning, managing and controlling the activities of the company, including directors

In its normal course of business, the company had the following significant transactions with main related parties during the period / year ended 30 September 2023, and 31 December 2022, the prices and terms of these transactions are also in line with the terms of the related party transactions.

7/a Due from related parties:

		30 September 2023	31 December 2022
Nature of relationship		(Unaudited)	(Audited)
Premium Meat Company	Former Board Member	-	110,730
Rakha for Agricultural Investment and development Company	Associate company	935,456	1,280,576
		935,456	1,391,306

7/b Related party transactions

		Transaction	
Nature of transactions		30 September 2023	30 September 2022
		(Unaudited)	(Unaudited)
Rakha for Agricultural Investment and development Company	Payment	345,120	-

7/c Benefits, remunerations and compensations to key management and executives

	30 September 2023		30 September 2022	
	(Unaudited)		(Unaudited)	
	Board members and related committees	Executive management	Board members and related committees	Executive management
Remunerations for board members and related committees	2,320,000	18,000	600,000	81,875
Allowances for board and committees attendance	233,000	-	153,000	-
Salaries, wages and equivalents	959,092	2,149,806	535,012	1,814,138
Employee end-of-service benefits	29,943	90,766	44,660	75,500

WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY

(Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023****(All amounts in Saudi Arabian Riyals unless otherwise stated)****8- Financial Assets at amortized cost – term deposit**

	30 September 2023	31 December 2022
	(Unaudited)	(Audited)
Murabaha Deposit	-	120,000,000
Accrued Commission of Murabaha Deposit	-	1,406,167
	-	121,406,167

The profit rate on the Murabaha deposits listed above is 3.85%, and the original maturity of the Murabaha deposits is within a period of less than 12 months and more than three months.

	30 September 2023	31 December 2022
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	121,406,167	-
Addition murabaha within period/year	62,000,000	120,000,000
Collected within period/year	(121,406,167)	-
Accrued Commission of murabaha deposit within period / year	-	1,406,167
Balance at the end of the period/year	62,000,000	121,406,167

	30 September 2023	31 December 2022
	(Unaudited)	(Audited)
Short-term Murabaha with an original maturity not more than three months*	62,000,000	-
Short-term Murabaha with an original maturity more than three months	-	121,406,167

* Short-term Murabaha has been classified into cash and the like, as its original maturity period does not exceed three months, note No. 8.

9. Cash and Cash equivalent

	30 September 2023	31 December 2022
	(Unaudited)	(Audited)
Short-term Murabaha with an original maturity not more than three months (9/1)	62,000,000	-
Cash at banks	5,812,304	5,867,428
Cash on hand	22,827	46,860
	67,835,131	5,914,288

9/1 The Murabaha listed above represents short-term Murabaha kept with local commercial banks, with an original maturity period not exceeding three months, and an interest rate of 5.80%.

WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY

(Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts in Saudi Arabian Riyals unless otherwise stated)

10. SIDF LOAN

The Company obtained a long-term loan from the Saudi Industrial Development Fund on May 9, 2012, for the purpose of financing the project to establish and expand a factory for the production of frozen vegetables and potatoes. The total approved loan facility amounted to SAR 34,000,000. The loan is repaid over a period of six years in semi-annual instalments, starting from August 1, 2015. In 2016, the loan was rescheduled, with the first payment due after rescheduling on January 2, 2019, the value of SAR 1,000,000 was paid during the year 2015, SAR 1,500,000 during the year 2016 and SAR 3,500,000 during the year 2018, bringing the total loan value as at December 31, 2020 to SAR 28,000,000. During the year 2019, the loan was rescheduled, with the first payment due after rescheduling on December 1, 2020, and it was not repaid, and during the year 2021, an amount of SAR 2,500,000 was paid, and during the year 2022, SAR 13,500,000 was paid, and during the year 2023, an amount of SAR 8,000,000 was paid, bringing the loan balance to SAR 4,000,000 on September 30, 2023. The loan is secured by the mortgage of both the food factory for the production of meat and the food factory for the freezing of vegetables in favour of the Fund as a guarantee for the loan. The loan agreement contains commitments, including, among other things, to limit future capital expenditures to maintain certain financial ratios.

Movement in SIDF loan during the period / year is as follow:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Balance at beginning of the period / year	12,000,000	25,500,000
Payments during the period / year	(8,000,000)	(13,500,000)
Balance as at end of the period / year	4,000,000	12,000,000

11. SHARE CAPITAL

Company's Authorized and paid-up capital amounted to SAR 231,511,050 As of 30 September 2023 (31 December 2022: SAR 231,511,050), divided into 23,151,105 shares (31 December 2022: 23,151,105 shares) of SAR 10 each.

12. ZAKAT PROVISION

12.1 Movement in zakat

Movement in zakat provision is as follows:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Balance at beginning of the period / year	4,745,034	4,714,993
Charge for the period / year	2,173,415	2,016,088
Zakat settlements	-	289
Paid during the period / year	(2,647,347)	(1,986,336)
Balance at end of the period / year	4,271,102	4,745,034

12.2 Zakat status

The Company submitted its returns to the General Authority of Zakat and Income Tax ("ZATCA") until the year ended 31 December 2022, and the Company obtained a certificate from ZATCA valid until 21 Shawwal 1445 AH corresponding to 30 April 2024.

In 2018, ZATCA issued initial assessments for the years 2008 to 2011. Based on these assessments, the Company objected to them and received an amended Zakat assessment, which resulted in Zakat differences of SAR 4,021,425. The Zakat differences were recognized as a provision for estimated Zakat for the year 2018.

In 2020, ZATCA issued initial assessments for the years 2014 to 2018. Based on these assessments, the Company objected to them and received an amended Zakat assessment, which resulted in Zakat differences of SAR 3,582,039. The Company objected to the amended Zakat assessment and received an amended Zakat assessment of SAR 2,728,946. The Company then objected to this amended assessment and submitted a lawsuit to the General Secretariat of Tax Committees "The Primary Committee for the Settlement of Tax Violations and Disputes". The Committee issued a decision and the Company filed an appeal for the years 2014 to 2018. The date of the hearing has not yet been set by the Secretariat to date. The Zakat differences were recognized as a provision for Zakat for the year 2022.

In 2021, ZATCA issued a Zakat assessment for the years 2019 to 2020, which resulted in Zakat differences of SAR 483,478. The differences were paid within the same year.

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13. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share from net profit for the period were calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the period. The diluted earnings per share is the same as basic earnings per share as the company has no diluted instruments.

The following table reflects the income and share data used for basic and diluted earnings per share calculations:

	For the three- months period ended 30 September		For the nine-months period ended 30 September	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Net profit for the period	5,058,385	3,016,679	15,231,155	14,192,639
Weighted average number of ordinary shares outstanding for basic & diluted EPS	23,151,105	9,915,861	23,151,105	9,915,861
Basic and diluted earnings per share from net profit for the period	0.22	0.30	0.66	1.43

The weighted average number of shares for the three- and nine-months periods ended 30 September 2023 and 30 September 2022 was obtained in accordance with the requirements of IAS 33 "Earnings per Share".

14. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

A. Contingent liabilities

The Company has no potential liabilities as of September 30, 2023.

B. Capital commitments

The Company's has no capital commitments as of 30 September 2023.

15. SEGMENT INFORMATION

The main activity of the company consists of segments that include the segment of manufacturing and selling pastries of various kinds, as well as the segment of selling vegetables, as well as the segment of manufacturing breakfast cereals, in addition to the segment of manufacturing and selling meat products. The company operates in the Kingdom of Saudi Arabia.

The following is financial information in detail by segments:

Interim Statement of profit or loss for the period ended 30 September 2023 (Unaudited)

profit or loss Statement Items	Pastries Segment	Vegetables Segment	Breakfast Cereals Segment	Meat Products Segment	Total
Sales, net	32,689,016	82,085,290	3,308,082	6,925,319	125,007,707
Cost of sales	(19,518,125)	(53,967,576)	(2,871,358)	(5,901,679)	(82,258,738)
Gross profit	13,170,891	28,117,714	436,724	1,023,640	42,748,969
Administrative and general expenses	(3,642,211)	(9,145,945)	(368,587)	(771,619)	(13,928,362)
Selling and marketing expenses	(3,887,148)	(9,761,006)	(393,374)	(823,510)	(14,865,038)
Operating income / (loss)	5,641,532	9,210,763	(325,237)	(571,489)	13,955,569
Provision for expected credit losses	(257,311)	(646,133)	(26,040)	(54,512)	(983,996)
Provision for impairment of prepayments and other receivables	(230,963)	(579,970)	(23,373)	(48,931)	(883,237)
Finance cost	(105,258)	(264,313)	(10,652)	(22,299)	(402,522)
Other income / (Expenses), net	1,495,432	3,755,174	151,336	316,814	5,718,756
Net profit / (loss) for the period before zakat	6,543,432	11,475,521	(233,966)	(380,417)	17,404,570
Zakat expense	(568,339)	(1,427,155)	(57,515)	(120,406)	(2,173,415)
Net profit / (Loss) for the period	5,975,093	10,048,366	(291,481)	(500,823)	15,231,155

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profit or loss Statement Items	Pastries Segment	Vegetables Segment	Breakfast Cereals Segment	Meat Products Segment	Total
Sales, net	29,414,505	58,525,157	2,612,665	5,887,955	96,440,282
Cost of sales	(14,601,212)	(28,594,042)	(4,867,071)	(12,776,060)	(60,838,385)
Gross profit / (Loss)	14,813,293	29,931,115	(2,254,406)	(6,888,105)	35,601,897
Administrative and general expenses	(2,112,743)	(4,137,454)	(704,248)	(1,848,650)	(8,803,095)
Selling and marketing expenses	(2,616,934)	(5,124,829)	(872,311)	(2,289,817)	(10,903,891)
Operating income / (loss)	10,083,616	20,668,832	(3,830,965)	(11,026,572)	15,894,911
Provision for expected credit losses	(267,244)	(523,353)	(89,081)	(233,839)	(1,113,517)
Finance cost	(177,990)	(348,565)	(59,330)	(155,742)	(741,627)
Other income / (Expenses), net	105,852	207,293	35,284	92,620	441,049
Reversal of loan guarantee provision	115,707	226,592	38,569	101,244	482,112
Net Profit / (loss) for the period before zakat	9,859,941	20,230,799	(3,905,523)	(11,222,289)	14,962,928
Zakat expense	(184,869)	(362,036)	(61,623)	(161,761)	(770,289)
Net profit / (Loss) for the period	9,675,072	19,868,763	(3,967,146)	(11,384,050)	14,192,639

- Due to the nature of the Company's activities and its management structure, it is practically impossible to allocate the items of assets and liabilities to the different operating segments.

16. FAIR VALUE

Fair value is the amount for which an asset could be exchanged, or a liability settled, in a transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability will take place either:

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

The principal or most advantageous market must be accessible by the company.

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

The measurement of the fair value of a non-financial asset takes into account the ability of market participants to provide economic benefits by using the asset in its best use or by selling it to another market participant to use it in its best use.

The Group uses valuation techniques that are appropriate to circumstances and conditions and have sufficient data to measure fair value, maximize the use of relevant observable inputs, and minimize the use of unobservable inputs substantially.

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16. FAIR VALUE (Continued)

All assets and liabilities whose fair values are measured or disclosed at their fair values in the interim condensed financial statements are categorized within the fair value hierarchy set out below based on the lowest level inputs that is significant to the fair value measurement as a whole:

- Level 1: prices that are quoted in active markets for identical assets or liabilities.
- Level 2: other valuation techniques in which the lowest level of significant inputs is directly or indirectly observable to the fair value measurement.
- Level 3: Other valuation techniques in which the lowest level inputs that are significant are not observable to the fair value measurement.

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

The carrying amount of financial assets that cannot be measured at fair value approximates its fair value. The financial liabilities have been measured at amortized cost, which is a reasonable approximation of their fair value.

All financial assets and liabilities are measured at amortized cost except for investments carried at FVTPL. The carrying amount of all other financial assets and liabilities measured at amortized cost approximates their fair values.

As of 30 September 2023, (Unaudited)	Fair Value Level			
	1	2	3	Total
Financial assets at FVOCI	438,672	-	-	438,672

As of 31 December 2022, (audited)	Fair Value Level			
	1	2	3	Total
Financial assets at FVOCI	438,672	-	-	438,672

17. Comparative figures

During the period ending on September 30, 2023, the Company has reclassified certain balances as shown below, which management considers to be a more accurate presentation and reflects the relevant nature.

17.1 Balances of the statement of financial position that have been reclassified

	31 December 2022 Before reclassification Saudi riyal	Balance which reclassified Saudi riyal	31 December 2022 After reclassification Saudi riyal
Cash and Cash equivalent	125,914,288	(120,000,000)	5,914,288
Financial assets at amortized cost – term Deposit	-	121,406,167	121,406,167
Prepayments and other received	22,248,440	(1,406,167)	20,842,273

17.2 The statement of cash flow amounts that have been reclassified

	30 September 2022 Before reclassification Saudi riyal	Balance which reclassified Saudi riyal	30 September 2022 After reclassification Saudi riyal
Net Cashflow from Operating Activities	(15,631,990)	547,627	(15,084,363)
Net Cashflow from Investment Activities	(1,299,012)	545,247	(753,765)
Net Cashflow from Financing Activities	165,971,001	(1,092,874)	164,878,127

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18. SUBSEQUENT EVENTS

There have been no significant subsequent events since the end of the period that would require disclosure or adjustment to these condensed interim financial statements.

19. DATE OF FINANCIAL STATEMENTS APPROVAL

The interim condensed financial statements have been approved for issuance by the Board of Directors on 16 Rabi Al-Thani 1445 H corresponding to 31 October 2023.