

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY  
A SAUDI JOINT STOCK COMPANY  
RIYADH - KINGDOM OF SAUDI ARABIA  
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2025**

<b>CONTENT</b>	<b>PAGE</b>
Independent auditor's report	1-5
Statement of financial position	6
Statement of profit or loss and other comprehensive income	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10-41

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## Independent Auditor's Report

To the Shareholders of  
**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
**Riyadh - Kingdom of Saudi Arabia**

### Opinion

We have audited the accompanying financial statements of Wafrah for Industry and Development Company ("the Company"), which comprise the statement of financial position as at December 31, 2025, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the accompanying notes (1) to (35) to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of the Company as at December 31, 2025, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

### Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Independent Auditor's Report**

To the Shareholders of  
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 Riyadh - Kingdom of Saudi Arabia

**Key audit matters (continued)**

The following are description of each of the key audit matters and how we addressed them:

<b>Revenue recognition</b>	
<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p>For the year ended December 31, 2025, the Company recognized total net revenue amounting to SR 123.17 million (2024: SR156.95 million).</p> <p>Revenue is recognized in accordance with IFRS 15 – Revenue from Contracts with Customers, which requires taking into account rebates given to customers on the Company's sales.</p> <p>Customer rebates are recognized based on performance criteria under each commercial contracts. This matter is key to our audit, as the estimation of recognized rebates involves judgment and have an impact on reported revenue. Accordingly, revenue recognition has been considered a key audit matter.</p>	<p>We performed audit procedures note below:</p> <ul style="list-style-type: none"> <li>• Evaluated appropriateness of the Company's revenue recognition policy based on IFRS 15 "Revenue from contracts with customers";</li> <li>• Evaluated key contractual, returns and rebates arrangements by considering relevant documentation and agreements with customers;</li> <li>• Recalculated rebates for a sample of customers according to their agreements.</li> <li>• Evaluated the design and implementation of the internal control systems related to management procedures over revenue recognition;</li> <li>• Examined a sample of sales transactions taking place during the year and inspected the supporting documents to ensure they were recognized at correct amounts;</li> <li>• Inspected a sample of sales transactions recorded before and after the year-end to assess whether revenue was recorded in the correct accounting period;</li> <li>• Performed analytical procedures;</li> <li>• Assessed the adequacy of disclosures used in the financial statements related to revenue item.</li> </ul>
<p>The accounting policy for revenue is outlined in note (3.19) and breakdown of revenue is presented in note (24).</p>	

<b>Allowance for expected credit losses (ECL) on trade receivables</b>	
<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p>As at December 31, 2025, the gross balance of trade receivables amounted to SR 89.8 million (2024: SR 77.1 million), with an allowance for ECL of SR 21.31 million (2024: SR 12.98 million). The recoverability of trade receivables represents a significant component of the Company's working capital and is subject to ongoing management.</p> <p>The Company assesses at each reporting date whether the trade receivables are credit-impaired. The Company's management has applied a simplified ECL model to determine the allowance for ECL on trade receivables. The ECL model involves the use of variance assumptions, macro-economic factors and study of historical trends relating to the trade receivables' collection experience.</p> <p>We considered this matter as a key audit matter as management applies significant judgements in determining an appropriate allowance for ECL on trade receivables.</p>	<p>Our audit procedures related to allowance for ECL on trade receivables included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Company's processes for calculating allowance for ECL on trade receivables.</li> <li>• Evaluated significant judgments, estimates, and assumptions made by management in relation to the calculation of allowance for ECL, including the Company's assessment of probability of default, incorporation of forward-looking information, and loss given default.</li> <li>• Involved our IT specialists to test the effectiveness of the relevant IT general controls (ITGCs) over the applicable accounting system.</li> <li>• Assessed the accounting policies adopted by the Company in respect of the allowance for ECL and their compliance with the requirements of IFRS 9.</li> <li>• Evaluated the adequacy of the related disclosures in the financial statements.</li> <li>• Involved auditor's expert for assessment of allowance for ECL on trade receivables.</li> </ul>
<p>The accounting policy for ECL is outlined in note (3.18.1) and management's estimates and judgments in note (2.4.2).</p>	

Independent Auditor's Report

To the Shareholders of  
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Report on the Audit of the Financial Statements... (Continued)

Key audit matters (Continued)

<b>Investment in equity instruments held at fair value through profit or loss</b>	
<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p>The Company holds investments in equity instruments designated at fair value through profit or loss amounting to SR16.39 million as at December 31, 2025 (2024: SR16.55 million).</p> <p>These investments were classified based on the Company's business model and the contractual cash flow characteristics. Classification under IFRS 9 requires significant judgments when testing the business model and assessing the specifications of contractual cash flows. Due to the complexity and subjectivity of these judgments, this matter was considered a key audit matter.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>• Verified the appropriateness of the Company's classification of financial instruments according to the Company's business model and the relevant contractual cash flows.</li> <li>• Obtained valuation reports from independent and certified valuers for measuring the fair value of financial instruments.</li> <li>• Appointed an expert from the auditors to review the valuation techniques, basis, and assumptions used by management's experts to value these investments.</li> <li>• Performed audit procedures to test the completeness and accuracy of information provided by management to the external valuer.</li> <li>• Discussed the valuation reports with management and their experts to verify market data and assumptions used.</li> <li>• Based on our assessment, we confirmed that the disclosure is appropriate in the financial statements.</li> </ul>
<p>The accounting policy is outlined in note (3.18.1) and management's estimates and judgments in note (2.4.2).</p>	

<b>Property, plant and equipment and impairment assessment</b>	
<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p>As disclosed in Note (5), the net book value of the Company's property, plant and equipment amounted to SR 155 million as at December 31, 2025 (2024: SR 73.2 million).</p> <p>Management performs an annual review of the carrying amounts of property, plant and equipment to assess whether there are any indicators of impairment. If such indicators exist, an impairment test is performed by determining whether the recoverable amount of these assets is less than their carrying amount. Management performs an internal assessment to determine the value in use of these assets using generally accepted valuation methodologies and approaches.</p> <p>We considered this matter to be a key audit matter due to the significant judgments and estimates involved in these methodologies and approaches, including the estimation of selling prices, occupancy rates, discount rates, terminal values, and other factors, including the impact of economic fluctuations on the Company's operations.</p>	<p>We performed audit procedures note below:</p> <ul style="list-style-type: none"> <li>• Reviewed management's procedures for identifying indicators of impairment of property, plant and equipment, and obtained an understanding of the key controls over the impairment review process and the determination of cash flow forecasts.</li> <li>• Tested the mathematical accuracy of the impairment models, with the involvement of our valuation specialists.</li> <li>• Evaluated the objectivity, independence, competence, and expertise of the external valuer.</li> <li>• Performed testing on a sample of property, plant and equipment, with the involvement of our valuation specialists, which included the following: <ul style="list-style-type: none"> <li>- Assessed the reasonableness of the value-in-use calculations and the key assumptions applied, including cash flow projections and discount rates used.</li> <li>- Analyzed the key assumptions and evaluated their impact on fair values, as well as assessing the sensitivity of the results to changes in these key assumptions.</li> </ul> </li> <li>• Reviewed Board of Directors' meeting minutes relating to business plans for property, plant and equipment during the year and for future periods, where applicable.</li> <li>• Evaluated the completeness and accuracy of the disclosures in the financial statements with reference to the requirements of the relevant IFRS Standards.</li> </ul>
<p>The accounting policy is outlined in notes (3.18.1) and (5.3) and management's estimates and judgments in note (2.4.2).</p>	

**Independent Auditor's Report**

To the Shareholders of  
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**Other information**

Other information consists of the information included in the Company's annual report for the year ended December 31, 2025 other than the financial statements and the auditor's report thereon. The Company's management is responsible for the other information contained in its annual report. The annual report is expected to be made available to us after the date of this report.

Our opinion on the financial statements does not include the other information, nor does or will it express any form of assurances in this regard.

With regard to our audit of the financial statements, it is our responsibility to read the information stated above, and in doing so, we consider whether the other information is materially inconsistent with the financial statements or the information we obtained during the audit process, or otherwise appears to contain a material misstatement.

If we conclude that there is a material misstatement in this other information, we are required to report that fact to those charged with governance.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS as endorsed in the Kingdom Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Auditors and Accountants, and the provisions of the Companies Law and Articles of Association and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions on the basis taken on these financial statements.

As part of an audit performed in accordance with International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We perform the following:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Company.

**Independent Auditor's Report**

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**Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

To conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and we communicated with them all relationships and other matters that may reasonably affect our independence, and related safeguards, if required.

Among the matters communicated to those charged with governance, we identify those matters that we considered most significant when auditing the financial statements of the current period, and which are considered main audit matters. We explain these matters in our report unless a law or regulations prevent public disclosure of a matter, or when we see, in extremely rare circumstances, matters that should not be reported in our report because the negative consequences of doing so are reasonably expected to outweigh the public interest of this reporting.

For El Sayed El Ayouty & Co.



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

Riyadh on: Shawal 10, 1447H  
Corresponding to: March 29, 2026



**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
Riyadh - Kingdom of Saudi Arabia  
**Statement of financial position as at 31 December 2025**  
(Expressed in Saudi Riyals)

	Note	31/12/2025	31/12/2024 Restated (note 31)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	155,101,602	73,203,211
Capital work in progress	6	3,337,860	85,973,476
Right-of-use assets	7.1	8,350,762	10,405,963
Intangible assets	8	28,492	201,674
Investments at fair value through profit or loss	9	16,394,689	16,546,504
Investments at fair value through other comprehensive income	10	570,066	685,113
<b>Total non-current assets</b>		<b>183,783,471</b>	<b>187,015,941</b>
<b>Current assets</b>			
Inventories	11	37,506,051	43,899,868
Biological assets	12	-	6,397,573
Trade receivables	13	68,481,997	64,158,379
Due from related parties	14.1	967,409	967,409
Prepayments and other debit balances	15	8,549,458	13,615,492
Cash and cash equivalents	16	30,320,672	26,929,576
<b>Total current assets</b>		<b>145,825,587</b>	<b>155,968,297</b>
<b>Total assets</b>		<b>329,609,058</b>	<b>342,984,238</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	17	231,511,050	231,511,050
Reserve of valuation of investments at fair value		(888,579)	(857,098)
Actuarial gains (losses) from re-measurement of employees' defined benefits obligation		101,244	863,001
(Accumulated losses)/ retained earnings		(39,629,904)	7,132,570
<b>Total equity</b>		<b>191,093,811</b>	<b>238,649,523</b>
<b>Non-current liabilities</b>			
Lease liabilities	7.2.2	7,052,252	8,969,347
Debt transfer obligation	9.3.2	7,027,598	7,027,598
Employees' defined benefits obligation	18	8,009,444	6,899,694
<b>Total non-current liabilities</b>		<b>22,089,294</b>	<b>22,896,639</b>
<b>Current liabilities</b>			
Short-term borrowings	19	15,275,717	8,000,000
Lease liabilities -current portion	7.2.1	1,891,180	1,830,034
Trade payables	20	44,453,125	30,912,897
Accrued expenses and other credit balances	21	20,585,055	8,697,568
Shareholders' accruals payables	17.2	25,755,089	25,814,733
Provision for zakat	22.2	1,595,023	4,185,792
Other provisions	23	6,870,764	1,997,052
<b>Total current liabilities</b>		<b>116,425,953</b>	<b>81,438,076</b>
<b>Total liabilities</b>		<b>138,515,247</b>	<b>104,334,715</b>
<b>Total equity and liabilities</b>		<b>329,609,058</b>	<b>342,984,238</b>

The accompanying notes from (1) to (35) form an integral part of these financial statements, which were approved by the Company's Board of Directors and signed on behalf of the following:

Chief Financial Officer  
Muhammed Mansour Al-Arief



Chief Executive Officer  
Khaled Rabea Al-Rashidi



Authorized BOD's Member  
Mohammed Yacoub AlMokhdib



**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
Riyadh - Kingdom of Saudi Arabia  
**Statement of profit or loss and other comprehensive income**  
**for the year ended 31 December 2025**  
**(Expressed in Saudi Riyals)**

	Note	2025	2024 Restated (note 31)
Revenue, net	24	123,168,376	156,952,907
Cost of revenue	25	(113,628,649)	(110,770,693)
<b>Gross profit</b>		<b>9,539,727</b>	<b>46,182,214</b>
Selling and marketing expenses	26	(26,627,024)	(23,325,672)
General and administrative expenses	27	(17,689,217)	(16,740,235)
Allowance for expected credit losses	13.1	(8,335,312)	(2,191,613)
Impairment of other receivables	15.1	(1,022,602)	-
Impairment of inventories	11.1	(3,377,223)	(149,786)
(Losses) from valuation of biological assets at fair value	12.1	(2,384,173)	-
<b>(Loss) income from operating activities</b>		<b>(49,895,824)</b>	<b>3,774,908</b>
Finance cost	28	(1,610,533)	(1,205,091)
Gains on disposal of property, plant and equipment		982,585	-
Gain from investments at fair value through profit or loss	9	3,519,442	1,318,812
Other income	29	1,898,394	4,094,058
Exchange differences		-	(621,683)
<b>(Loss) profit for the year before zakat</b>		<b>(45,105,936)</b>	<b>7,361,004</b>
Zakat expense	22.1	(1,656,538)	(2,653,239)
<b>Net (loss) profit for the year</b>		<b>(46,762,474)</b>	<b>4,707,765</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Actuarial (losses)/gains from re-measurement of employees' defined benefits obligation	18	(761,757)	1,475,490
Reserve of valuation of investments at fair value	10	(31,481)	(2,636)
<b>Total other comprehensive (loss) income for the year</b>		<b>(793,238)</b>	<b>1,472,854</b>
<b>Total comprehensive (loss) income for the year</b>		<b>(47,555,712)</b>	<b>6,180,619</b>
<b>(Loss) earnings per share:</b>			
<b>Basic and diluted (loss) earnings per share from net income for the year</b>	30	<b>(2.02)</b>	<b>0.20</b>

The accompanying notes from (1) to (35) form an integral part of these financial statements, which were approved by the Company's Board of Directors and signed on behalf of the following:

Chief Financial Officer  
Muhammad Mansour Al-Arief



Chief Executive Officer  
Khaled Rabee Al-Rasheed



Authorized BOD's Member  
Mohammed Yaqoub AlMokhdib



**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
Riyadh - Kingdom of Saudi Arabia  
**Statement of changes in equity for the year ended December 31, 2025**  
(Expressed in Saudi Riyals)

	Share capital	Reserve of valuation of investments at fair value	Actuarial (losses) gains from re-measurement of employees' defined benefits obligation	Retained earnings (accumulated losses)	Total equity
For the year ended December 31, 2024:					
Balance at January 01, 2024	231,511,050	(854,462)	(612,489)	2,424,805	232,468,904
Net profit for the year before restatement	-	-	-	5,039,973	5,039,973
Other comprehensive (loss) income for the year	-	(2,636)	1,475,490	-	1,472,854
Total comprehensive (loss) income for the year before restatement	-	(2,636)	1,475,490	5,039,973	6,512,827
Restatements for the year (note 31)	-	-	-	(332,208)	(332,208)
<b>Total comprehensive (loss) income for the year (restated)</b>	<b>-</b>	<b>(2,636)</b>	<b>1,475,490</b>	<b>4,707,765</b>	<b>6,180,619</b>
Balance at December 31, 2024 (restated)	<b>231,511,050</b>	<b>(857,098)</b>	<b>863,001</b>	<b>7,132,570</b>	<b>238,649,523</b>
<b>For the year ended December 31, 2025:</b>					
Balance at January 01, 2025	231,511,050	(857,098)	863,001	7,132,570	238,649,523
<b>Net (loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(46,762,474)</b>	<b>(46,762,474)</b>
<b>Other comprehensive (loss) for the year</b>	<b>-</b>	<b>(31,481)</b>	<b>(761,757)</b>	<b>-</b>	<b>(793,238)</b>
<b>Total comprehensive (loss) for the year</b>	<b>-</b>	<b>(31,481)</b>	<b>(761,757)</b>	<b>(46,762,474)</b>	<b>(47,555,712)</b>
<b>Balance at December 31, 2025</b>	<b>231,511,050</b>	<b>(888,579)</b>	<b>101,244</b>	<b>(39,629,904)</b>	<b>191,093,811</b>

The accompanying notes from (1) to (35) form an integral part of these financial statements, which were approved by the Company's Board of Directors and signed on behalf of the following:

Chief Financial Officer  
Muhammad Mansour Al-Anief



Chief Executive Officer  
Khaled Rabee Al-Rashidi



Authorized BOD's Member  
Mohammed Yaqoub AlMokhdib



**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
Riyadh - Kingdom of Saudi Arabia  
**Statement of cash flows for the year ended December 31, 2025**  
(Expressed in Saudi Riyals)

	Note	2025	2024 Restated (note 31)
<b>Cash flows from operating activities:</b>			
Net (loss) profit for the year		(46,762,474)	4,707,765
<b>Adjustment for net (loss) profit for the year:</b>			
Depreciation on property, plant and equipment		8,967,044	7,751,571
Gains on disposal of property, plant and equipment		(982,585)	-
Depreciation on right-of-use assets		2,055,201	1,484,972
Amortization of intangible assets		173,182	173,182
Profits of valuation of investments at fair value through profits or losses		(3,519,442)	(1,318,812)
Finance contract commission		540,065	-
Interests on leases		694,435	532,200
Impairment of inventory		3,377,223	149,786
Fair value measurement losses on biological assets		2,384,173	-
Expected credit loss		8,335,312	2,191,613
Impairment of other receivables		1,022,602	-
Employees' defined benefits obligation incurred		1,416,969	1,416,760
Other provisions - provided		9,781,302	4,281,483
Debt transfer expenses		-	309,710
Zakat		1,656,538	2,653,239
		<b>(10,860,455)</b>	<b>24,333,469</b>
<b>Changes during the year in:</b>			
Inventories		6,340,200	(18,785,222)
Provision for impairment of inventory utilized		-	(1,312,425)
Biological assets		689,794	(6,397,573)
Trade receivables		(12,658,930)	(13,279,803)
Due from related parties		-	544,335
Prepayments and other debit balances		4,043,432	3,067,941
Trade payables		13,540,228	11,687,073
Loan guarantee provision- related party		-	309,710
Accrued expenses and other credit balances		11,887,487	(4,751,025)
Other provisions - utilized		(4,907,590)	(6,847,087)
Zakat paid		(4,247,307)	(4,348,618)
Employees' defined benefits obligation paid		(1,068,976)	(1,006,077)
		<b>2,757,883</b>	<b>(17,095,012)</b>
<b>Net cash flows from (used in) operating activities</b>			
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment		(2,479,191)	(4,094,367)
Proceeds from disposal of property, plant and equipment		986,801	-
Expenditures on capital work in progress		(5,754,844)	(10,789,243)
Purchase of investments at FVTOCI		-	(209,164)
Proceeds from capital reduction of investments FVTPL		3,671,257	-
Refund of subscription surplus – investment at FVTOCI		83,566	-
		<b>(3,492,411)</b>	<b>(15,092,774)</b>
<b>Net cash flows used in investing activities</b>			
<b>Cash flows from financing activities:</b>			
Payments from shareholders' accruals payables		(59,644)	(21,794)
Proceeds from short-term borrowings		25,000,000	8,000,000
Repayment of short-term borrowings		(18,264,348)	(2,000,000)
Lease liabilities paid		(2,550,384)	(1,268,226)
		<b>4,125,624</b>	<b>4,709,980</b>
<b>Net cash flows from financing activities</b>			
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>3,391,096</b>	<b>(27,477,806)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>26,929,576</b>	<b>54,407,382</b>
<b>Cash and cash equivalents at year-end</b>	<b>16</b>	<b>30,320,672</b>	<b>26,929,576</b>
<b>Non-cash transactions:</b>			
Property, plant and equipment transferred to capital work-in-progress		88,390,460	282,918
Transferred from biological assets to inventory (note 12.1)		5,707,779	-
Right-of-use assets against lease obligations		-	(7,751,546)
Debt assignment liability against loan guarantee provision – related parties		-	7,027,598
Accrued expenses relating to lease liabilities		-	287,000
Increase in investments at FVTOCI against related parties		-	209,164
Disposal of leased assets against lease liabilities		-	95,314

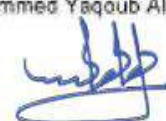
The accompanying notes from (1) to (35) form an integral part of these financial statements, which were approved by the Company's Board of Directors and signed on behalf of the following:

Chief Financial Officer  
Muhammad Mansour Al-Arief

Chief Executive Officer  
Khaled Rabee Al-Rasidi

Authorized BOD's Member  
Mohammed Yaqoub AlMokhdib





**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
**Riyadh - Kingdom of Saudi Arabia**  
**Notes to the financial statements for the year ended December 31, 2025**  
**(Expressed in Saudi Riyals)**

**1. General information**

**1.1** Wafrah for Industry and Development Company (“the Company”), a Saudi Joint Stock Company, was established in accordance with the Companies Law in the Kingdom of Saudi Arabia. The Company is registered under the Unified National Number 7001345425 and in the commercial register in Riyadh under CR No. 1010076996 dated 24/10/1410H (corresponding to 19/05/1990), valid until 04/11/1447H (corresponding to 21/04/2026). The Company’s registered head office is in Riyadh, P.O. Box 131, Postal Code 14335.

**1.2** These financial statements as at December 31, 2025, include the financial statements of the Company and its following branches:

<b>S/N</b>	<b>Name of branch</b>	<b>City</b>	<b>CR number</b>	<b>Date</b>
1	Wafrah for industry and development company	Jeddah	4030108227	03/07/1415H
2	Wafrah for industry and development company	Dammam	2050028895	11/06/1415H
3	Wafrah for industry and development company	Khamis Mushait	5855339110	21/05/1439H
4	Wafrah pasta and noodles factory	Riyadh	1010320947	02/01/1433H
5	Branch of wafrah for industry and development company	Al-Kharj	1011016029	02/01/1433H
6	Wafrah foods factory	Riyadh	1010320946	02/01/1433H
7	Wafrah cereal products factory	Riyadh	1010320952	02/01/1433H
8	Wafrah foods factory	Riyadh	1010320955	02/01/1433H
9	Wafrah frozen vegetables factory	Riyadh	1010320956	02/01/1433H
10	Branch of wafrah for industry and development company	Al-Kharj	1011016028	02/01/1433H
11	Wafrah foods factory, a branch of wafrah for industry and development company	Riyadh	1010320953	02/01/1433H
12	Wafrah for industry and development company	Tabuk	3550151951	10/11/1444H

**1.3 Main activities of the Company and its branches**

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

**1.4 The Company’s fiscal year begins** on January 1st and ends on December 31st of each calendar year. The presented financial statements are for the year ended December 31, 2025 compared to the year ended December 31, 2024.

**1.5 New Companies Law**

Pursuant to Royal Decree No. M/132 dated 01/12/1443H (corresponding to 30/06/2023), the new Companies Law was approved and came into effect on 26/06/1444H (corresponding to 19/01/2024). The new Companies Law replaced the old Companies Law issued under Royal Decree No. M/3 dated 28/01/1437H and repealed all provisions that conflict with it. Companies existing at the time the new Companies Law came into effect must adjust their status in accordance with its provisions within a period not exceeding two years from the date the law came into effect. The Company announced its compliance with the new Companies Law on 28/07/1446H (corresponding to 28/01/2025).

**2. Basis of preparation**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards that are endorsed in the Kingdom Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

**2.2 Basis of measurement**

The financial statements have been prepared in accordance with the accrual basis of accounting and the going concern principle, and on the basis of the historical cost principle except for financial assets (investments) that are measured at fair value and employees’ defined benefits obligation which are measured at the present value of future obligations using the Projected Unit Credit Method.

**2.3 Presentation currency**

These financial statements are presented in Saudi Riyals (“SR”) which is the functional currency. All amounts in the financial statements are presented in Saudi Riyals.

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
**Riyadh - Kingdom of Saudi Arabia**  
**Notes to the financial statements for the year ended December 31, 2025**  
**(Expressed in Saudi Riyals)**

**2.4 Use of judgments, estimates and assumptions**

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

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

**The most significant accounting judgments, estimates and assumptions**

**2.4.1 Judgments**

The following is an explanation to the significant judgments when applying the accounting policies that have a material impact on the amounts presented in the financial statements and the notes thereto:

**Fulfillment of performance obligations**

The Company evaluates each of its contracts with customers to determine whether performance obligations have been satisfied over time or at a point in time in order to determine the appropriate method for recognizing revenue under the provisions of the relevant laws and regulations.

**Determination of transaction prices**

The Company determines transaction prices in relation to each of its contracts with customers. When making such judgment, it assesses the impact of any variable consideration in the contract as a result of discounts or fines and the existence of a significant financing component within the contract, or any non-cash consideration within the contract.

**The following notes include information about other judgments**

Note (3.4) classification of leases

**2.4.2 Assumptions and estimates**

The following is an explanation of information to assumptions and estimates of uncertainty that have a significant impact on the amounts presented in the financial statements and the notes thereto:

**Going concern**

The Company's financial statements have been prepared on a going concern basis. Management has performed a comprehensive assessment of the Company's ability to continue as a going concern, specifically evaluating the impact of the net loss of SR 46.7 million incurred during the year ended December 31, 2025, and the resulting accumulated losses of SR 39.6 million.

In reaching the conclusion that no material uncertainty exists, Management has considered internal cash flow forecasts for the next twelve months which indicate that the Company will maintain sufficient liquidity to meet its obligations as they fall due. A key factor in this assessment is the significant investment made in property, plant, and equipment (PPE) during the period, reflecting a strategic expansion of production capacity aimed at enhancing future revenue streams and restoring profitability. Furthermore, Management is actively implementing cost-optimization initiatives to improve operational efficiency.

Based on this assessment, Management is satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and is not aware of any material uncertainties that may cast significant doubt upon this assumption.

**Useful lives of property, plant and equipment**

The Management determines the estimated useful lives of property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the assets or physical wear and tear.

Management reviews the residual value of useful lives annually to verify that it reflects the expected benefit to be obtained. If it differs from previous estimates, changes in depreciation expense in current and future periods are adjusted, if any.

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
**Riyadh - Kingdom of Saudi Arabia**  
**Notes to the financial statements for the year ended December 31, 2025**  
**(Expressed in Saudi Riyals)**

**2.4.2 Assumptions and estimates... (Continued)**

**Fair value measurement of financial instruments**

When the fair value of the financial assets and liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from

observable markets where possible but where this is not feasible, a degree of judgment is required in establishing fair value. Judgments include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in the assumptions relating to these factors can affect the reported fair value of the financial instruments. The contingent consideration resulting from a business combination is assessed at the fair value on the acquisition date - part of the business combination. If the consideration meets the definition of a financial liability, it will be subsequently remeasured at the fair value in each reporting date. Fair value is determined based on discounted cash flows. Underlying assumptions take into account the possibility of fulfilling each objective of performance and discount factor.

**Interest rate implicit in leases**

The Company cannot readily determine the interest rate implicit in all leases. Therefore, it uses the Incremental Borrowing Rate (IBR) to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The company estimates the borrowing rate using observable data (such as market interest rates) and makes certain company-specific assumptions when necessary.

**Expected credit losses on trade receivables ("ECL")**

The Company calculates ECL for trade receivables by relying on past default experience monitored by the Management as per debt aging. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.

**Impairment of non-financial assets**

(Except for inventory, which is assessed for impairment separately), at each financial reporting date, management reviews the carrying amounts of other non-financial assets to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount is estimated, and the carrying amount is reduced to this recoverable amount. The impairment loss is then recognized and charged to the statement of profit or loss.

The recoverable amount is measured using the higher of fair value of the asset less the cost to sell it - or the present value of the cash flows expected to be derived from it according to the discount rate.

Indications of impairment of a non-financial asset may be information that a material impairment has occurred to the market value of the asset and is more than expected as a result of normal use or the availability of evidence of obsolescence, damage or deterioration of its expected economic performance whether in its operating results or in the expected cash flows from it.

When there are indications that a recognized impairment loss in prior periods may no longer exist or have decreased, impairment loss is reversed only to the extent that it does not exceed the previously recognized impairment loss.

**Property, plant and equipment and impairment of non-financial assets**

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The Company reviews the carrying amounts of its tangible assets at each reporting date to determine whether there are any indicators of impairment. Where such indicators exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount represents the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

These estimates are prepared internally by management using generally accepted methodologies and approaches. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount, and an impairment loss is recognized immediately in the statement of profit or loss.

**The following notes include information on assumptions and other estimates of uncertainty**

- Note (3.6) Impairment of inventory
- Note (3.13) Measurement of employees' defined benefits obligation
- Note (3.15) Provisions
- Note (3.18.1) impairment of financial assets measured at cost or amortized cost

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
Riyadh - Kingdom of Saudi Arabia  
**Notes to the financial statements for the year ended December 31, 2025**  
(Expressed in Saudi Riyals)

**3. Material accounting policies**

The management has consistently applied the significant accounting policies outlined below to all periods presented in these financial statements.

**3.1 Current/non-current classification of assets and liabilities**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification as follows:

**Assets**

- An asset is classified as current when:
- It is expected to be realized or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realized within twelve months after the reporting period; or
- is cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

**3.2 Property, plant and equipment**

**Recognition and measurement**

- Property and equipment are measured at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located.

When the significant parts of an item of property, plant, and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant, and equipment.

**Subsequent costs of acquisition**

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit and loss as incurred.

**Depreciation**

Depreciation is calculated based on the cost of assets less the residual value. The significant components of individual assets are estimated. If a component has a useful life different from the useful life of the remaining asset, the useful life of that component is depreciated independently.

Depreciation is recognized in the statement of profit and loss using a straight-line method over the estimated useful life of each component of property, plant and equipment. The methods of depreciation, useful lives and residual value are reviewed at each reporting date, and adjusted if appropriate. Depreciation of an asset begins when it is available for use. Depreciation of an asset ceases at the earlier of when the asset is classified as held for sale or is when the asset is derecognized.

The following are the estimated useful lives of property, plant and equipment:

Buildings on leased lands	6.7 : 33.3 years or the lease term, whichever is shorter	Property and equipn	20 : 40 years
Tools	6.7 : 20 years	Vehicles	4 years
Air conditions	6.7 years	Fittings and installat	10 years
Furniture and office equipme	6.7 : 40 years	Artesian wells	20 years

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
**Riyadh - Kingdom of Saudi Arabia**  
**Notes to the financial statements for the year ended December 31, 2025**  
**(Expressed in Saudi Riyals)**

**3. Material accounting policies (continued)**

**3.2 Property, plant and equipment (continued)**

**Derecognition**

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within the statement of profit and loss.

**3.3 Capital work in progress**

Capital work in progress at year end includes certain assets that have been acquired but are not ready for their intended use. Capital work in progress is stated at cost less any recorded impairment. These assets are transferred to relevant assets categories and are depreciated once they are available for their intended use.

**3.4 Leasing**

Determining whether a contract is (or contains) a lease depends on the substance of the agreement at the inception of the lease. A contract is, or contains, a lease if the contract gives the right to control the use of an asset for a period of time in exchange for consideration.

A single recognition and measurement model is applied to all leases except for short-term or low-value leases. The right-to-use assets and lease liabilities are recognized at the inception of the lease.

**Right-of-use assets**

Right-of-use assets are measured at cost comprising the following:

- The amount of initial recognition of lease liabilities;
- Lease payments made at or before the commencement date minus lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are depreciated on a straight-line basis over the shorter of expected useful life or the lease term.

**Lease liabilities**

Lease liabilities are initially measured at the present value of lease payments that are not paid at the inception of the lease, which include:

- Fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate;
- Amounts expected to be paid under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

If the lease payments are discounted using the incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

- Each lease payment is apportioned between the finance cost and the reduction of the outstanding liability. Finance costs are charged to the statement of profit or loss over the term of the relevant lease so to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

**Short-term or low-value leases**

Short-term leases are leases with a lease term of 12 months or less. Payments related to short-term leases and leases of low-value assets on a straight line basis are recognized as an expense in the statement of profits or losses.

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
**Riyadh - Kingdom of Saudi Arabia**  
**Notes to the financial statements for the year ended December 31, 2025**  
**(Expressed in Saudi Riyals)**

**3. Material accounting policies (continued)**

**3.5 Intangible assets**

The separately acquired intangible assets are measured initially at cost. Following the initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are classified as either definite or indefinite. Intangible assets with a definite life are amortized over their estimated useful lives, and they are reviewed to ensure impairment when there is evidence indicating such impairment. The amortization period and the amortization method for an intangible asset with a finite life are reviewed one time at least at the end of each reporting period. Changes in the expected useful life or the method of consumption of future economic benefits embodied in the asset are considered based on the latest amortization period or method, as appropriate, and are treated as changes in accounting estimates. The expenses related to the amortization of intangible assets with a definite life are listed in the profit or losses statement as an expense and are aligned with the function of the intangible assets.

The estimated amortization periods for intangible assets with definite useful lives are as follows:

- Computer software 7 years

The useful life of intangible assets with a definite life is regularly reviewed to assess whether there are any indications that the originally determined useful life is still appropriate and valid. Otherwise, the change in the useful life calendar is made on a prospective basis. Intangible assets with indefinite life are not amortized, but are tested for impairment annually either individually or at the cash-generating unit level.

The profits or losses resulting from discontinuing the recognition of intangible assets are measured as the difference between the net proceeds from disposal and the carrying amount of the asset. They are recognized in the income statement upon discontinuation of the asset's recognition.

**Subsequent costs of acquisition**

Development expenditures for acquired intangible assets or internally generated intangible assets are recognized when the Company is able to separate those expenditures from research costs, and can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of technical and financial resources to complete the asset, and the ability to measure the expenditure reliably during the development process.

Development expenses that do not meet the previous conditions and research expenses are included in the statement of profit or loss when incurred.

**3.6 Inventories**

Inventories are measured at lower of cost and net realizable value.

The cost is determined as follows:

- **Raw materials:** The cost includes the costs of purchasing materials and all expenses incurred to bring them to their present location. The cost is measured using the weighted average method.

- **Work in progress and finished goods:** It includes the cost of materials used in production in addition to the cost of direct labor and all other direct and indirect expenses incurred in connection with converting the product and bringing it to its present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less any expected costs of completion and the estimated selling costs.

- **Spare parts:** Spare parts are measured at the lower of cost and net realizable value, with cost determined using the weighted average method.

**Agricultural produce:** Agricultural produce harvested from biological assets is measured at fair value less costs to sell at the point of harvest.

**Impairment of inventory**

An assessment is made at each reporting date whether any inventories are impaired by comparing the carrying amount of each inventory item (or a group of similar items) with the selling price less the cost of completion and sale. If the net selling price is less than the carrying amount, the impairment loss is recognized for the inventory.

**3.7 Biological assets**

Biological assets are measured at fair value less costs to sell. In some cases, when fair value cannot be measured reliably, biological assets are measured at cost less accumulated depreciation and impairment losses (if any). Cost includes all agricultural costs (such as the cost of seeds, labor and equipment, irrigation, fertilizers, and any operational expenses related to crop cultivation up to the harvest date).

Seasonal crops such as potatoes, wheat, and other field crops are accounted for as biological assets until the harvest date.

Bearer plants (such as fruit trees, olive trees, and palm trees) are accounted for as property, plant and equipment. However, the fruits growing on these trees are accounted for as biological assets until the harvest date.

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
**Riyadh - Kingdom of Saudi Arabia**  
**Notes to the financial statements for the year ended December 31, 2025**  
**(Expressed in Saudi Riyals)**

**3. Material accounting policies (continued)**

**3.8 Related party transactions**

Transactions with related parties include the transfer of resources, services, obligations or financing between the Company and the related party, regardless of whether such transactions are conducted on terms equivalent to those prevailing in an arm's-length transaction.

A related party is a person that is related to the reporting entity or a close member of that person's family is related to a reporting entity if that person:

a- is a member of the key management personnel of the reporting entity\*;

b- has control or joint control over the reporting entity;

c- has significant influence over the reporting entity's decision-making process and policies.

\* Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity.

**An entity is related to a reporting entity if any of following conditions applies:**

a- The entity and the reporting entity are members of the same Company or both entities are jointly owned;

b- One entity is an associate or an entity owned by the company;

c- The entity is controlled by the reporting entity or vice versa or the entity and the reporting entity are jointly controlled.

**3.9 Accounts receivable**

The receivables are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest rate method, less any impairment losses on the receivables.

Trade receivables arise when the Company provides a service to a customer on credit. The Management of the Company does not impose any commissions or interest on trade receivables.

**3.10 Cash and cash equivalents**

- Cash and cash equivalents within the statement of financial position comprise cash with banks, cash on hand, and short-term deposits with original maturities of three months or less. They are exposed to insignificant risks for change in value.

**3.11 Statement of cash flows**

Statement of cash flows is prepared according to the indirect method.

For the purpose of preparing the statement of cash flows, cash and cash equivalents comprise cash with banks, cash on hand and the above short-term deposits less outstanding overdraft accounts that form an integral part of the Company's cash management.

**3.12 Account payables and accrued expenses**

Account payables and accrued expenses are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

Trade payables are liabilities that the Company has incurred during the ordinary course of business on the basis of normal credit terms and they are non-interest bearing.

**3.13 Employee benefits**

**Defined benefit plan (End-of-Service 'EOS' benefits)**

The Company operates a defined benefit plan for end of service benefits in line with the Labor Law requirement in the Kingdom of Saudi Arabia. The payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment. As defined by the conditions stated in the Labor Regulations of the Kingdom of Saudi Arabia, employees' end of service benefit plans are unfunded plans whereby the benefit payment obligations are met by concerned entities when they fall due.

The defined benefits obligation is periodically re-measured by an actuary using the projected credit unit method. The amount of obligation is calculated on the basis of the present value of the estimated future cash outflows discounted at the discount rate used.

The costs of the defined benefit obligations for the initial periods are calculated on an annual basis using the actuarially defined pensions cost rate at the end of the previous year, adjusted for significant market fluctuations and any significant onetime events, such as scheme adjustments or manpower cuts and reimbursements.

Actuarial gains and losses arising from remeasurement of defined benefit plan obligation are recognized in the statement of other comprehensive income. The company calculates interest expense by applying the discount rate used to measure the net defined benefit obligation. The net interest expense and other expenses related to defined benefit plans recognized in the statement of profits or losses.

**Short-term employee benefits**

A liability is recognized for benefits accruing to employees in respect of wages and salaries, non-cash benefits, annual leave, sick leave, air tickets and other allowances during the period in which the employees render the related service. The liability is recorded at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognized in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
**Riyadh - Kingdom of Saudi Arabia**  
**Notes to the financial statements for the year ended December 31, 2025**  
**(Expressed in Saudi Riyals)**

**3. Material accounting policies (continued)**

**3.14 Zakat and tax**

**Zakat**

- The Company is subject to zakat regulations set by the laws and instructions of the Zakat, Tax and Customs Authority according to the zakat standard.

The zakat provision is calculated on the higher of the zakat base that includes zakat income or adjusted net income, in accordance with the requirements of the zakat standard. Adjustments, if any, are recorded in the period when the final assessment has been approved.

**Withholding Tax**

The Company withholds taxes on certain transactions with non-resident parties in the KSA, if any, as required under Saudi Arabian Income Tax Law. Withholding tax on foreign payments is recorded as a short-term liability.

**Value Added Tax**

The net amount of VAT recoverable from, or payable to, the GAZT is included as for the part of receivables or payables in the statement of financial position.

**3.15 Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If outflows to settle the provisions are no longer probable, reversal of the provision is recorded as income.

**3.16 Contingent liabilities and assets**

All contingent liabilities arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or all present obligations arising from past events but not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability. A contingent liability will not be recognized, rather, it will be disclosed in the financial statements.

Contingent assets are not recognized in financial statements; however, a contingent asset is disclosed where an inflow of economic benefits is probable.

**3.17 FOREIGN CURRENCY TRANSLATION**

Transactions in foreign currencies during the year are translated into Saudi Riyals and recorded at the rates of exchange prevailing at the transaction dates. The balances of assets and liabilities recorded in foreign currencies at the balance sheet date are translated into Saudi Riyals at the exchange rates prevailing at that date. Profits and losses arising from transactions are reported in the statement of profit or loss..

**3.18 Financial Instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset or a financial liability is recognized and measured in accordance with measurement, recognition and disclosure requirements of IFRS 9.

**Relevant detailed accounting policies are as follows:**

**3.18.1 Financial assets**

**Initial recognition and measurement**

Trade receivables and deposits are recognized on the date they arise while all other financial assets are recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets are measured upon initial recognition at the transaction price attributable to the acquisition of the financial asset, including transaction costs, except for financial assets that are subsequently measured at fair value through the statement of profit or loss. If the arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest.

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
**Riyadh - Kingdom of Saudi Arabia**  
**Notes to the financial statements for the year ended December 31, 2025**  
**(Expressed in Saudi Riyals)**

**3. Material accounting policies (continued)**

**3.18.1 Financial assets (continued)**

**Classification and subsequent measurement**

- IFRS 9 has three major categories of financial assets as follows: Financial assets measured at amortized cost, measured at fair value through other comprehensive income and assets measured at fair value through profit or loss. Under IFRS 9, financial derivatives embedded in contracts containing the basic instrument are financial assets within the scope of the standard and are not separated. The entire hybrid financial instrument is assessed for classification.

**Subsequent measurement of financial assets depends on their classification as described below:**

**- Financial assets at amortized cost**

These assets are measured upon initial recognition at fair value plus transaction costs directly attributable to the acquisition or issue of the financial asset. After the initial recognition, these are measured at amortized cost using the effective interest method.

**- Financial assets at fair value through other comprehensive income**

On initial recognition, Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

**- Financial assets at fair value through profit or loss**

Financial assets carried at fair value through profit or loss include financial assets held for trading and financial assets classified at initial recognition as fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. After initial recognition, they are re-measured at fair value.

**Derecognition of financial assets**

A financial asset is primarily derecognized when:

- The contractual rights to the cash flows from the financial asset expire;
- The Company transfers the rights to receive the contractual cash flows from the asset; Or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either the Company has transferred substantially all the risks and rewards of the asset, or it has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Impairment of financial assets measured at cost or amortized cost**

Under IFRS 9, an impairment review is made at each reporting date for financial assets measured at amortized cost or FVTOCI except investments in equity instruments as well as contract assets as per the expected future credit loss model, which requires a significant estimate of how changes in economic factors affect the expected credit loss models that are determined on a weighted probability basis. This requires a significant estimate of how changes in economic factors affect the expected credit loss models that are determined on a weighted probability basis. Loss provision for loss will be measured on one of the following bases:

- 1- The expected credit loss over 12 months: This expected credit loss arises from default and potential default events within 12 months after the reporting date.
- 2- The expected credit loss over the life of the financial instrument: It is the expected credit loss that results from all default events over the expected life of the financial instrument. As for the expected credit loss over 12 months, measurement is applied if the credit risks of financial assets have increased substantially at the reporting date since the initial recognition. The expected credit loss over 12 months measurement is applied if the credit risks have not increased substantially. The entity may determine that the credit risk does not increase substantially in case the instrument is exposed to low credit risks at the reporting date. However, the measurement of expected long-term credit losses is always applied to trade receivables and contract assets without any significant financing components. The entity may choose to apply this policy also to trade receivables and contract assets with significant financing components.

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
**Riyadh - Kingdom of Saudi Arabia**  
**Notes to the financial statements for the year ended December 31, 2025**  
**(Expressed in Saudi Riyals)**

**3. Material accounting policies (continued)**

**3.18.2 Financial liabilities**

**Initial measurement**

Upon initial measurement, except for financial liabilities that are subsequently measured at fair value through profit or loss, the financial liabilities are measured at the transaction price (including transaction costs), unless the arrangement forms actually financing transactions of the entity (for financing obligation) or a counter party (for financial asset) of the arrangement.

At initial measurement of financial liabilities that are subsequently measured at fair value through profit or loss, transaction costs are recognized through profit or loss.

Debt instruments classified as current liabilities are measured at the undiscounted cash amount or other cash consideration expected to be paid unless the arrangement constitutes, in fact, a financing transaction.

**Classification and subsequent measurement**

The financial obligation is measured at the amortized cost using the effective interest method if the conditions previously explained above are met. These financial liabilities are subsequently measured at the amortized cost using the effective Interest Rate (EIR) method. The amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effective interest rate is included in the finance income within the statement of profit or loss. IFRS 9 introduces the change in fair value related to changes in the credit risk of liabilities in the comprehensive income statement while the remaining amount of the change in fair value is presented in the statement of profit or loss.

Debt instruments classified as current liabilities are measured at the undiscounted cash amount or other cash consideration expected to be paid unless the arrangement constitutes, in fact, a financing transaction.

**Derecognition of financial liabilities**

A financial liability is derecognized when and only when the obligations are discharged, canceled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms or when the terms of an existing obligation are substantially modified, such replacement or modification is treated as a derecognition of the original financial liability, along with recognizing the new obligation. The difference in respective carrying amounts is recognized in the statement of profit or loss.

**3.18.3 Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when the Company currently has a legally enforceable right to set off the recognized amounts; and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**3.19 Revenue recognition**

The Company recognizes revenue from contracts with customers when the performance obligation is satisfied by transferring ownership of the promised goods or services to the customer based on a five-step model:

Step 1: Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

Step 2: Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount to which the Company expects to be entitled in exchange for the transfer of goods and services to a customer. Transaction price is measured based on the fair value of the received consideration, after taking into account the agreed payment terms, excluding taxes, fees and amounts collected on behalf of third parties. These are recorded net of trade discounts and volume rebates.

Step 4: Allocate the transaction price to the performance obligations. Where a contract has multiple performance obligations, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the Company satisfies a performance obligation.

Revenue is measured at the fair value of consideration received or receivable, taking into account trade discounts, prompt settlement discounts and volume rebates allowed by the Company, if any.

Revenue includes only the total inflows of economic benefits received or receivable to which they relate. All amounts collected on behalf of a third party account such as income taxes and value added taxes are excluded.

When the inflow of cash or cash equivalents is deferred and the agreement includes in substance a financing transaction, the fair value of the consideration is the present value of all future receipts that is determined using an imputed interest rate.

The imputed rate of interest is the more clearly determinable of either:

- The prevailing rate for a similar instrument of an issuer with a similar credit rating; or
- A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the present value of all future proceeds and the nominal amount of the consideration is recognized as interest income.

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
**Riyadh - Kingdom of Saudi Arabia**  
**Notes to the financial statements for the year ended December 31, 2025**  
**(Expressed in Saudi Riyals)**

**3. Material accounting policies (continued)**

**3.19 Revenue recognition (continued)**

- The Company's revenue represents the following:

**- Revenue from product sales**

The revenue resulting from the sale of goods and the issuance of an invoice is recognized when the significant risks and benefits of ownership of the goods are transferred to the buyer, with the Company not retaining the right of continuous administrative intervention to the degree that is usually associated with ownership nor the right of actual control over the sold goods. The revenue is recognized net of the allowed discount.

Other income is recognized on an accrual basis.

**3.20 Cost of revenue**

The cost of revenues consists of production costs and direct industrial expenses, including the cost of raw materials used in production, direct labor, other capital costs, and operational expenses associated with production.

**3.21 Finance cost**

Finance cost comprises interest expense and other costs on borrowings and finance facilities. All finance costs are charged to profits or losses as incurred except finance costs related to owning or establishing an asset that may need some time to be ready for the intended use. It is added to the cost of the asset to be ready for the intended use according to IAS 23 (the Company does not have any such expenses being capitalized for the current year).

**3.22 Selling and marketing expenses and general and administrative expenses**

Selling and marketing expenses include expenses incurred in selling and marketing the goods, which are not considered part of the cost of revenue.

General and administrative expenses are expenses directly linked with management and are not considered direct costs.

**3.23 Board of Directors' remunerations**

The total amounts paid to members of the Board of Directors include attendance fees for meetings, remuneration, and expenses.

**3.24 Earnings per share**

Basic earnings per share and diluted earnings per share (if any) are presented for ordinary shares. Basic earnings per share are calculated by dividing the Company's profit or loss attributable to common shareholders by the weighted average number of common shares outstanding during the year, after being adjusted by the number of ordinary shares repurchased or issued during the year. Diluted earnings per share is calculated by adjusting diluted profit or loss of the Company's ordinary shareholders and the weighted average number of shares outstanding during the year compared to dilutive potential ordinary shares.

**3.25 Dividends**

Dividend distributions, after deducting reserves - if any - to the Company's shareholders are recorded when these distributions are approved by the General Assembly of shareholders in accordance with the Companies Law in the Kingdom of Saudi Arabia.

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
Riyadh - Kingdom of Saudi Arabia  
**Notes to the financial statements for the year ended December 31, 2025**  
(Expressed in Saudi Riyals)

**4. Changes in significant accounting policies and new standards**

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

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

<b>Standard - Interpretation</b>	<b>Description</b>	<b>Effective date for financial statements beginning on or after</b>
IAS 21	Amendments to the standard "Effects of Changes in Foreign Exchange Rates" related to the definition of a convertible currency and the estimation of the spot exchange rate when the currency is non-convertible, and the related disclosures.	01 January 2025

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

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

<b>Standard - Interpretation</b>	<b>Description</b>	<b>Effective date for financial statements beginning on or after</b>
IFRS 9 and IFRS 7	Amendments to the "Financial Instruments" standard related to the classification and measurement of financial instruments in terms of timing and requirements for recognition and derecognition, with a new exception regarding obligations settled through electronic payment systems before actual settlement when certain conditions are met. With consequential amendment to Financial Instruments: Disclosures, relating to financial instruments with contractual terms that affect cash flows, particularly those linked to environmental, social and governance (ESG) objectives.	01 January 2026
IFRS 18 Replacing IAS 1 and Consequential Amendments to IAS 8	The Saudi Organization for Auditors and Accountants has adopted IFRS 18 "Presentation and Disclosure in Financial Statements," which supersedes IAS 1. The standard includes enhancements to the income statement structure to provide more relevant and clear information, and develops specific requirements related to management-defined performance measures. The issuance of this standard has resulted in consequential amendments to IAS 8 regarding the basis of preparation of financial statements and disclosure of significant accounting policy information and sources of estimation uncertainty. It has also led to amendments to IAS 7 concerning the presentation of cash flows from dividends and interest income and expense, with specific requirements for entities whose primary activities are investing or financing.	01 January 2027
IFRS 19	The Saudi Organization for Auditors and Accountants has adopted IFRS 19 "Subsidiaries without Public Accountability: Disclosures." This standard primarily aims to provide a reduced level of disclosures in the financial statements of subsidiaries without public accountability, as an alternative to the disclosure requirements in the full IFRS standards. The goal is to simplify the mechanisms and systems for preparing financial statements and reduce their cost. It should be noted that application of the standard is optional, and it may be discontinued in future periods after being applied.	01 January 2027
IAS 21	Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" relating to translation into a presentation currency in hyperinflationary economies.	01 January 2027

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
Riyadh - Kingdom of Saudi Arabia  
**Notes to the financial statements for the year ended December 31, 2025**  
(Expressed in Saudi Riyals)

**5. Property, plant and equipment - net**  
**5.1 For the year ended December 31, 2025**

	Buildings on leased lands *	Property and equipment	Tools	Vehicles	Air conditions	Fittings and installation	Furniture and office equipment	Artesian wells	Total
<b>Cost:</b>									
Balance at 01 January 2025	79,936,843	203,014,299	24,393,583	7,827,029	6,815,800	6,068,035	5,437,957	220,816	333,714,362
Additions during the year	-	18,414	1,672,115	155,750	292,300	24,970	315,642	-	2,479,191
Transfers from capital work in progress (note 6)	2,531,033	85,803,527	55,900	-	-	-	-	-	88,390,460
Disposals	-	(10,485,358)	-	(4,042,379)	-	-	(6,010)	-	(14,533,747)
<b>Balance at 31 December 2025</b>	<b>82,467,876</b>	<b>278,350,882</b>	<b>26,121,598</b>	<b>3,940,400</b>	<b>7,108,100</b>	<b>6,093,005</b>	<b>5,747,589</b>	<b>220,816</b>	<b>410,050,266</b>
<b>Accumulated depreciation:</b>									
Balance at 01 January 2025	(54,455,693)	(162,879,724)	(20,350,375)	(6,965,668)	(6,171,164)	(4,941,956)	(4,596,906)	(149,665)	(260,511,151)
Depreciation for the year	(2,665,286)	(4,458,466)	(1,006,789)	(313,239)	(140,318)	(161,844)	(213,479)	(7,623)	(8,967,044)
Disposals	-	10,485,357	-	4,042,371	-	-	1,803	-	14,529,531
<b>Balance at 31 December 2025</b>	<b>(57,120,979)</b>	<b>(156,852,833)</b>	<b>(21,357,164)</b>	<b>(3,236,536)</b>	<b>(6,311,482)</b>	<b>(5,103,800)</b>	<b>(4,808,582)</b>	<b>(157,288)</b>	<b>(254,948,664)</b>
<b>Net carrying amount:</b>									
<b>As of 31 December 2025</b>	<b>25,346,897</b>	<b>121,498,049</b>	<b>4,764,434</b>	<b>703,864</b>	<b>796,618</b>	<b>989,205</b>	<b>939,007</b>	<b>63,528</b>	<b>155,101,602</b>

\* The Company's buildings are constructed on lands leased from the Industrial Cities Authority under lease contracts that expire during the years from 2035 to 2040.

\*\* Fully depreciated property and equipment that are still in operation amounted to SR 156,552,439 (2024: SR 155,347,518).

**- Depreciation on property, plant and equipment**

	31/12/2025	31/12/2024
Deprecation Charged to cost of revenue (note 25)	7,801,112	6,630,064
Deprecation Charged to selling and marketing expenses (note 26)	1,066,713	1,007,790
Deprecation charged to general and administrative expenses (note 27)	99,219	113,717
	<b>8,967,044</b>	<b>7,751,571</b>

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
Riyadh - Kingdom of Saudi Arabia  
**Notes to the financial statements for the year ended December 31, 2025**  
(Expressed in Saudi Riyals)

**5. Property, plant and equipment - net. (Continued)**

**5.2 For the year ended December 31, 2024**

	Buildings on leased lands *	Property and equipment	Tools	Vehicles	Air conditions	Fittings and installation	Furniture and office equipment	Artesian wells	Total
<b>Cost:</b>									
Balance at 01 January 2024	79,936,843	200,759,395	23,318,425	7,733,029	6,587,757	5,659,062	5,121,750	220,816	329,337,077
Additions during the year	-	2,254,904	1,075,158	94,000	228,043	126,055	316,207	-	4,094,367
Transfers from capital work in progress (note 6)	-	-	-	-	-	282,918	-	-	282,918
<b>Balance at 31 December 2024</b>	<b>79,936,843</b>	<b>203,014,299</b>	<b>24,393,583</b>	<b>7,827,029</b>	<b>6,815,800</b>	<b>6,068,035</b>	<b>5,437,957</b>	<b>220,816</b>	<b>333,714,362</b>
<b>Accumulated depreciation:</b>									
Balance at 01 January 2024	(51,830,567)	(159,657,845)	(19,253,692)	(6,682,543)	(6,038,086)	(4,761,274)	(4,393,531)	(142,042)	(252,759,580)
Depreciation for the year	(2,625,126)	(3,221,879)	(1,096,683)	(283,125)	(133,078)	(180,682)	(203,375)	(7,623)	(7,751,571)
Balance at 31 December 2024	<b>(54,455,693)</b>	<b>(162,879,724)</b>	<b>(20,350,375)</b>	<b>(6,965,668)</b>	<b>(6,171,164)</b>	<b>(4,941,956)</b>	<b>(4,596,906)</b>	<b>(149,665)</b>	<b>(260,511,151)</b>
<b>Net carrying amount:</b>									
<b>As of 31 December 2024</b>	<b>25,481,150</b>	<b>40,134,575</b>	<b>4,043,208</b>	<b>861,361</b>	<b>644,636</b>	<b>1,126,079</b>	<b>841,051</b>	<b>71,151</b>	<b>73,203,211</b>

**5.3 Impairment Assessment of Property, Plant, and Equipment**

In accordance with IAS 36, the Company performs an annual assessment to identify indicators of impairment for its PPE. For the year ended December 31, 2025, management identified certain indicators (e.g., market volatility or underutilization) and performed an internal impairment study to determine the recoverable amount of the related Cash Generating Units (CGUs).

The recoverable amount was determined based on Value in Use (VIU) calculations. Management used cash flow projections based on financial budgets approved by the Board of Directors covering a five-year period. The following key assumptions were applied:

- Discount Rate: A pre-tax discount rate of 11.35% was used, reflecting specific risks relating to the relevant segments.
- Terminal Growth Rate: A growth rate of 1.55% was used to extrapolate cash flows beyond the five-year period.

-Based on this internal assessment, the recoverable amount of the assets was found to be higher than their carrying amount. Accordingly, no impairment loss was recognized during the current year.

-Management also performed a sensitivity analysis. A change in the discount rate by [+/- 0.5%] or the terminal growth rate by [+/- 0.5%] would not result in an impairment loss, confirming the robustness of the carrying values.

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
**Riyadh - Kingdom of Saudi Arabia**  
**Notes to the financial statements for the year ended December 31, 2025**  
**(Expressed in Saudi Riyals)**

**6. Capital work in progress**

	<b>31/12/2025</b>	<b>31/12/2024</b>
Balance at beginning of year	85,973,476	75,467,151
Additions during the year	5,754,844	10,789,243
Transferred to property, plant and equipment (note 5)	<u>(88,390,460)</u>	<u>(282,918)</u>
<b>Balance at year-end</b>	<b><u>3,337,860</u></b>	<b><u>85,973,476</u></b>

**6.1** Capital work-in-progress represents the cost of ongoing projects related to the expansion and upgrading of the Company's production lines. These costs include the acquisition of machinery, installation services, and directly attributable overheads. These projects are part of the Company's strategic plan to increase production capacity and improve operational efficiency. No depreciation is charged on these assets until they are commissioned and available for their intended use. During the year, capital work in progress amounting to SR 88.39 million transferred to the relevant category within property, plant, and equipment after the assets were completed and available for their intended use and accordingly, the Company has commenced charging depreciation on these assets over their estimated useful lives, as they have begun contributing to the Company's production capacity and revenue-generating activities.

**7. Leases**

**7.1 Right-of-use assets – net**

	<b>31/12/2025</b>	<b>31/12/2024</b>
<b>Leasehold land</b>		
<b>Cost:</b>		
Balance at beginning of year	13,106,241	5,640,636
Additions during the year	-	7,751,546
Disposal of contracts	-	(285,941)
<b>Balance at year-end</b>	<b><u>13,106,241</u></b>	<b><u>13,106,241</u></b>

**Accumulated depreciation:**

Balance at beginning of year	2,700,278	1,405,933
Depreciation for the year	2,055,201	1,484,972
Disposals	-	(190,627)
<b>Balance at year-end</b>	<b><u>4,755,479</u></b>	<b><u>2,700,278</u></b>

**Net carrying amount at end of the year**

**8,350,762**      **10,405,963**

**Depreciation for the year**

**31/12/2025**      **31/12/2024**

Deprecation charged to cost of sales (note 25)	240,449	240,486
Deprecation Charged to selling and marketing expenses (note 26)	1,814,752	1,244,486
	<b><u>2,055,201</u></b>	<b><u>1,484,972</u></b>

**7.2 Lease liabilities**

	<b>31/12/2025</b>	<b>31/12/2024</b>
Balance at beginning of year	10,799,381	4,166,175
Additions during the year	-	7,464,546
Less: paid during the year	(2,550,384)	(1,268,226)
Less: disposal	-	(95,314)
Charged to finance cost (note 28)	694,435	532,200
<b>Present value of obligations</b>	<b><u>8,943,432</u></b>	<b><u>10,799,381</u></b>

Lease liabilities are presented in the statement of financial position based on the current portion - within the current liabilities (which represents the payable portion during a year) and the non-current portion - within the non-current liabilities (which represent the outstanding liability net of the current portion) as follows:-

	<b>31/12/2025</b>	<b>31/12/2024</b>
<b>7.2.1</b> Lease liabilities - current portion	1,891,180	1,830,034
<b>7.2.2</b> Lease liabilities - non-current portion	<u>7,052,252</u>	<u>8,969,347</u>
	<b><u>8,943,432</u></b>	<b><u>10,799,381</u></b>

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
**Riyadh - Kingdom of Saudi Arabia**  
**Notes to the financial statements for the year ended December 31, 2025**  
**(Expressed in Saudi Riyals)**

**8. Intangible assets - net**

	<b>31/12/2025</b>	<b>31/12/2024</b>
<b>Computer equipment</b>		
<b>Cost:</b>		
Balance at beginning of year	1,212,748	1,212,748
<b>Balance at year-end</b>	<b><u>1,212,748</u></b>	<b><u>1,212,748</u></b>
<b>Accumulated amortization:</b>		
Balance at beginning of year	(1,011,074)	(837,892)
Amortization during the year (note 27)	(173,182)	(173,182)
<b>Balance at year-end</b>	<b><u>(1,184,156)</u></b>	<b><u>(1,011,074)</u></b>
<b>Net carrying amount at end of the year</b>	<b><u>28,492</u></b>	<b><u>201,674</u></b>

**9. Investments at FVTPL**

	Equity %		<b>31/12/2025</b>	<b>31/12/2024</b>
	2025	2024		
East Asia Agricultural Development and Investment Company (9.1)	14.285%	14.285%	2,006,722	2,839,546
Jannat Agricultural Investment Company - under liquidation (9.2)	11.10%	11.10%	-	-
Rakhaa Agricultural Investment Company - an Egyptian JSC (9.3)	8.628%	8.628%	14,387,967	13,706,958
			<b><u>16,394,689</u></b>	<b><u>16,546,504</u></b>

**The movement in fair value of investments at fair value through profit or loss is as follows:**

	<b>31/12/2025</b>	<b>31/12/2024</b>
Balance at beginning of year	16,546,504	15,018,528
Additions during the year	-	209,164
Capital reduction	(3,671,257)	-
Profits from revaluation of investments at fair value	3,519,442	1,318,812
<b>Fair value at end of the year</b>	<b><u>16,394,689</u></b>	<b><u>16,546,504</u></b>

**9.1 East Asia Agricultural Development and Investment Company**

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

During 2024, following the collection by Sharq Asia Company of part of the amounts due to it in respect of which a court judgment had been issued in its favor, management deemed it necessary to reassess the fair value of the investment based on the information and assumptions available at the valuation date. By the end of 2025, management remeasured the investment in Sharq Asia Company using a discounted expected cash flow model, resulting in a fair value gain of SR 2,838,433 (2024: SR 2,839,546). The Company engaged Estidama Valuation Office, a valuer accredited by the Saudi Authority for Accredited Valuers under license No. 4112000060 – Business Valuation Division, to perform the fair value measurement study.

During the Extraordinary General Assembly meeting of Sharq Asia Agricultural Development and Investment Company held on 12 August 2025, the shareholders resolved to reduce the Company's share capital by returning a portion of capital to shareholders in cash, in proportion to each shareholder's ownership interest. Wafrah for Industry and Development Company received its share of the capital reduction amounting to SR 3,671,257 on 25 December 2025.

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

	<b>31/12/2025</b>	<b>31/12/2024</b>
Balance at beginning of year	2,839,546	-
Capital reduction	(3,671,257)	-
Profits from revaluation of investments at fair value	2,838,433	2,839,546
<b>Fair value at end of the year</b>	<b><u>2,006,722</u></b>	<b><u>2,839,546</u></b>

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
**Riyadh - Kingdom of Saudi Arabia**  
**Notes to the financial statements for the year ended December 31, 2025**  
**(Expressed in Saudi Riyals)**

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

**9.2 Jannat Agricultural Investment Company - under liquidation**

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

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

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

- On December 31, 2019, and as a result of the decision to liquidate Jannat Agricultural Investment Company (Note 9.2), Jannat Agricultural Investment Company waived in favor of the company a number of 6.902 shares of Rakhaa Agricultural Investment Company (an unlisted Egyptian joint stock company) and they were proven at an amount of 1,612,717 Saudi Riyals and represent 8.628% of the capital of Rakhaa Agricultural Investment Company, which amounts to 80 million Egyptian pounds. Due to the lack of sufficient financial information and difficulty in determining the fair value of Rakhaa Agricultural Investment Company from the date of assignment until the end of 2022, management recognized valuation losses for the full value of the investment, which reduced the fair value of this investment to zero SR from the end of 2019 until the end of 2022. As a result of the availability of financial information for Rakhaa Agricultural Investment Company, management deemed it necessary to reassess the fair value of the investment at each financial reporting date since that time.

On May 07, 2024, the Board of Directors of Rakhaa Agricultural Investment Company approved an increase in the company's capital to become 100 million Egyptian pounds instead of 80 million Egyptian pounds, with an increase of 20 million Egyptian pounds through bank deposits from each shareholder according to their contribution to the capital before the increase. The Company has paid its share in the capital increase through its current account receivable from the related party (Note 14.2).

- As at 31 December 2025, the fair value of the investment was determined using a discounted cash flow model, resulting in a revaluation gain of SAR 681,009, compared to a revaluation (loss) of SR 1,520,734 in 2024. The Company engaged an external advisor, Archer Capital Financial Advisory (an Egyptian company specialized in financial valuation and registered with the Financial Advisory Register of the Egyptian Financial Regulatory Authority), to perform the fair value measurement studies.

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

	<b>31/12/2025</b>	<b>31/12/2024</b>
Balance at beginning of year	13,706,958	15,018,528
Addition to (Share capital increase)	-	209,164
Profits (losses) from revaluation of investments at fair value	<u>681,009</u>	<u>(1,520,734)</u>
<b>Fair value at end of the year</b>	<b><u>14,387,967</u></b>	<b><u>13,706,958</u></b>

**9.3.1 Loan Guarantee Provision - Related Party**

During 2009, Rakhaa Agricultural Investment and Development Company obtained a loan of SR 100 million from the Saudi Development Fund under a financing agreement secured by guarantees provided by its shareholders. Due to Rakhaa Agricultural Investment and Development Company's non-payment, Wafrah's management recognized a guarantee obligation of SR 8.06 million, representing 8.628% of the guarantee provided to the Saudi Development Fund amounting to SR 93.5 million, under which the shareholders of Rakhaa Agricultural Investment Company committed to continue payment to the Saudi Development Fund.

On December 30, 2024, and according to a debt transfer contract, an agreement was made between the Saudi Development Fund, Rakhaa Agricultural Investment Company, and the shareholders of Rakhaa Agricultural Investment Company (including Wafrah Industry and Development Company with its 8.628% share) approving the transfer of all obligations arising from the financing agreement and transferring the entire debt to the shareholders of Rakhaa Agricultural Investment Company, each according to their ownership percentage in the company's capital. Accordingly, the Company transferred the provision to a debt transfer obligation (Note 9.3.2).

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
Riyadh - Kingdom of Saudi Arabia  
Notes to the financial statements for the year ended December 31, 2025  
(Expressed in Saudi Riyals)

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

**9.3.2 Debt transfer obligation**

According to the debt transfer agreement mentioned in Note (9.3.1), the Company has committed to pay an amount of SR 7,027,598 to the Saudi Development Fund due on 01/01/2027. Accordingly, the entire obligation has been presented within non-current liabilities.

**Movement of changes in liability was as follows:**

	<b>31/12/2025</b>	<b>31/12/2024</b>
Balance at beginning of year	7,027,598	-
Transferred from loan guarantee provision (Note 9.3.1)	-	6,717,888
Debt transfer expenses (note 28)	-	309,710
<b>Fair value at end of the year</b>	<b>7,027,598</b>	<b>7,027,598</b>

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

Quoted investments	Headquarters	Number of shares		31/12/2025	31/12/2024
		2025	2024		
Yanbu National Petrochemical Company (YANSAB)	Kingdom of Saudi Arabia ("KSA")	10,545	10,545	289,777	398,601
Al Mousa Health Company	KSA	1,598	1,598	280,289	286,512
				<b>570,066</b>	<b>685,113</b>

**10.1 Movement of changes in fair value was as follows:**

	<b>31/12/2025</b>	<b>31/12/2024</b>
Balance at beginning of year	685,113	401,237
Additions during the year	-	286,512
Recovered from subscription in Al-Mousa Health Company	(83,566)	-
(losses) from revaluation of investments at fair value	(31,481)	(2,636)
<b>Fair value at end of the year</b>	<b>570,066</b>	<b>685,113</b>

- Investments at fair value through other comprehensive income in listed companies were valued according to the announced share prices on December 31, 2025. Note (32) contains information about fair value.

	<b>31/12/2025</b>	<b>31/12/2024</b>
<b>11. Inventory – net</b>		
Raw materials	17,911,212	21,342,011
Finished goods	17,473,257	17,521,414
Spare parts	6,132,954	5,670,592
	<b>41,517,423</b>	<b>44,534,017</b>
(Less): Provision for impairment of inventory (11.1)	(4,011,372)	(634,149)
	<b>37,506,051</b>	<b>43,899,868</b>

	<b>31/12/2025</b>	<b>31/12/2024</b>
<b>11.1 Movement of provision for impairment of Inventory</b>		
Balance at beginning of year	634,149	1,796,788
Provided for the year	3,377,223	149,786
Utilized during the year	-	(1,312,425)
<b>Balance at year-end</b>	<b>4,011,372</b>	<b>634,149</b>

The provision for impairment of inventory is based on the nature, age and expiry date of inventory as well as the sale expectations which rely on previous trends and other qualitative and technical factors.

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
**Riyadh - Kingdom of Saudi Arabia**  
**Notes to the financial statements for the year ended December 31, 2025**  
**(Expressed in Saudi Riyals)**

**12. Biological assets**

Biological assets represent the costs of seasonal crops planted that have not been harvested as of the date of the financial statements. The balances of these crops were as follows:

	<b>31/12/2025</b>	<b>31/12/2024</b>
Potatoes	-	<b>6,397,573</b>

Agricultural produce that had not been harvested as at the end of 2024 was measured at cost, as the Company was unable to reliably measure fair value. This was due to the Company cultivating potatoes for the first time in 2024 and not having historical production data, in addition to the fact that the crop was still underground. The cost included all agricultural costs, such as labor costs, seasonal land lease, equipment, seeds, and irrigation. During 2024, the crop was harvested and measured at fair value at the point of harvest. The Company did not repeat the cultivation of potatoes or any other crops during 2025.

	<b>31/12/2025</b>	<b>31/12/2024</b>
<b>12.1 The movements in biological assets were as follows:</b>		
Balance at beginning of year	6,397,573	-
Additions during the year	1,694,379	6,397,573
(Losses) from revaluation of at fair value	(2,384,173)	-
Transferred to inventory	(5,707,779)	-
<b>Balance at year-end</b>	<b>-</b>	<b>6,397,573</b>

**13. Trade receivables - net**

	<b>31/12/2025</b>	<b>31/12/2024</b>
Customers	89,793,846	77,134,916
Provision for expected credit losses (note 13.1)	(21,311,849)	(12,976,537)
	<b>68,481,997</b>	<b>64,158,379</b>

**13.1 Movement in provision for expected credit losses**

	<b>31/12/2025</b>	<b>31/12/2024</b>
Balance at beginning of year	12,976,537	10,784,924
Provided for the year	8,335,312	2,191,613
<b>Balance at year-end</b>	<b>21,311,849</b>	<b>12,976,537</b>

**Below is an analysis of customer receivables aging as at 31 December:**

	<b>31/12/2025</b>	<b>31/12/2024</b>
Not due	26,161,412	23,855,275
From 1 day to 120 days	2,449,033	21,493,290
121 to 180 days	12,916,056	6,747,860
181 to 270 days	5,922,448	3,732,203
271 to 360 days	7,400,109	3,284,857
More than 360 days	34,944,788	18,021,431
	<b>89,793,846</b>	<b>77,134,916</b>

\* The Company does not charge any penalties or interest on late payments from customers.

\*\* The provision for impairment of trade receivables was calculated based on their aging and historical experience.

**14. Related party - transactions**

**14.1 Due from related parties**

<b>Related parties</b>	<b>Nature of relationship</b>	<b>31/12/2025</b>	<b>31/12/2024</b>
Rakhaa Agricultural Investment Company- Shareholders - an Egyptian joint-stock company	Affiliate	<b>967,409</b>	<b>967,409</b>

**14.2 Significant transactions with related parties**

<b>Related parties</b>	<b>Nature of relationship</b>	<b>Nature of transaction</b>	<b>31/12/2025</b>	<b>31/12/2024</b>
Rakhaa Agricultural Investment Company- Shareholders - an Egyptian joint-stock company	Affiliate	share capital increase *(note 9.3)	-	(209,164)
		Foreign exchange losses	-	(621,683)

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
Riyadh - Kingdom of Saudi Arabia  
**Notes to the financial statements for the year ended December 31, 2025**  
(Expressed in Saudi Riyals)

**14.3 Compensation to the Board and Senior Executives**

The following are details of compensation and remunerations paid to non-executive board members and senior management personnel:

	<b>31/12/2025</b>	<b>31/12/2024</b>
Annual and periodic bonuses	3,450,000	1,805,903
Salaries and compensation	2,015,442	2,592,560
Allowances	282,395	755,986
	<b><u>5,747,837</u></b>	<b><u>5,154,449</u></b>

**15. Prepayments and other debit balances – net**

	<b>31/12/2025</b>	<b>31/12/2024</b>
Advances to the suppliers *	9,766,850	13,644,430
Prepaid expenses	1,717,012	436,120
Employees' receivables	1,591,760	1,495,382
Accrued revenue	134,449	55,361
Value Added Tax (VAT)	-	1,622,210
	<b><u>13,210,071</u></b>	<b><u>17,253,503</u></b>
Provision for impairment of other receivables (note 15.1)	<b><u>(4,660,613)</u></b>	<b><u>(3,638,011)</u></b>
	<b><u>8,549,458</u></b>	<b><u>13,615,492</u></b>

\* Advances to suppliers include a receivable balance of SR 1.8 million from Zakat, Tax and Customs Authority (ZATCA) relating to customs duties paid on the import of asset for the meat factory. The Company's claim to recover these amounts was rejected by the Primary Customs Committee. The Company subsequently filed an appeal before the Appellate Customs Committee. As at the date of approval of these financial statements, no decision has yet been issued, and accordingly, the outcome remains uncertain.

	<b>31/12/2025</b>	<b>31/12/2024</b>
<b>15.1 Movement of provision for impairment of other receivables</b>		
Balance at beginning of year	3,638,011	3,638,011
Provided for the year	1,022,602	-
<b>Balance at year-end</b>	<b><u>4,660,613</u></b>	<b><u>3,638,011</u></b>

**16. Cash and cash equivalents**

	<b>31/12/2025</b>	<b>31/12/2024</b>
Banks - current accounts	20,198,412	16,917,209
Local banks - short-term deposits	10,121,965	10,011,933
Cash on hand	295	434
	<b><u>30,320,672</u></b>	<b><u>26,929,576</u></b>

**17. Share capital**

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

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

**17.1 STATUTORY RESERVE**

The Ordinary General Assembly, when determining the share of profits attributable to shareholders, may resolve to establish reserves to the extent that serves the Company's interest. Under the new Companies Law (Note 1.5), the formation of a statutory reserve is no longer mandatory. Furthermore, the Company's Articles of Association, as aligned with the new Companies Law, do not require the establishment of reserves except as determined by the General Assembly.

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
Riyadh - Kingdom of Saudi Arabia  
**Notes to the financial statements for the year ended December 31, 2025**  
(Expressed in Saudi Riyals)

**17. Share capital (continued)**

**17.2 Shareholders' accruals payables**

	<b>31/12/2025</b>	<b>31/12/2024</b>
Rights issue compensations*	24,568,292	24,626,116
Unpaid dividends	1,186,797	1,188,617
	<b>25,755,089</b>	<b>25,814,733</b>

This represents rights issue compensations resulting from the capital increase shares offering during 2022 with an increase of 200% by granting priority rights at a rate of two priority rights shares for each owned share. All new offered shares were subscribed, with 12,009,112 shares at a rate of 77.81% for existing shareholders, and 3,424,958 shares at a rate of 22.19% for new shareholders.

On August 10, 2022, the capital increase proceeds were received and deposited in the Company's bank account by the underwriter. Accordingly, compensations for unused priority rights were recognized as an obligation towards shareholders who owned the priority rights.

**18. Employee defined benefit obligations**

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

	<b>31/12/2025</b>	<b>31/12/2024</b>
Balance at beginning of year	6,899,694	7,964,501
Cost of current service	1,040,936	1,053,579
Cost of interest	376,033	363,181
<b>Charged to profits and losses (note 18.1)</b>	<b>1,416,969</b>	<b>1,416,760</b>
Paid during the year	(1,068,976)	(1,006,077)
Actuarial losses (profits) "charged to other comprehensive income"	761,757	(1,475,490)
<b>Balance at year-end</b>	<b>8,009,444</b>	<b>6,899,694</b>

**18.1 Charged to profits and losses**

	<b>31/12/2025</b>	<b>31/12/2024</b>
Charged to cost of revenue (note 25)	491,629	263,888
Charged to selling and marketing expenses (note 26)	132,889	411,756
Charged to general and administrative expenses (note 27)	416,418	377,935
Charged to finance cost (note 28)	376,033	363,181
	<b>1,416,969</b>	<b>1,416,760</b>

An actuarial valuation was performed using the projected unit credit method to measure the present value of the employee defined benefit obligations on December 31, 2025 in relation to the end-of-service benefits accrued to employees under the Saudi Labor Law. This valuation was based on principal actuarial assumptions that included the following:-

	<b>31/12/2025</b>	<b>31/12/2024</b>
<b>Significant actuarial assumptions used</b>		
Discount rate	5.45%	4.00%
Annual salary increase rate	4.00%	5.50%
Retirement age	60	60

**Sensitivity analysis**

The sensitivity analysis is based on a method that measures the effect on employee defined benefit obligations when a change occurs in one of the principal actuarial assumptions, while keeping all other assumptions constant. Here is a quantitative sensitivity analysis of the assumptions used to measure defined employee benefit obligations:

	<b>31/12/2025</b>	<b>31/12/2024</b>
Basis according to actuarial assumptions used	<b>8,009,444</b>	<b>6,899,694</b>
<b>Sensitivity of employees benefit obligations to a change in one of the assumptions</b>		
Discount rate (increase by 1%)	7,674,231	6,385,813
Discount rate (decrease by 1%)	8,373,797	7,493,593
Annual salary increase rate (increase by 1%)	8,374,521	7,188,449
Annual salary increase rate (decrease by 1%)	7,667,368	6,628,754

A sensitivity analysis may not represent the actual change in the defined employee benefit obligations but rather provide an approximate estimation of the sensitivity of the assumptions. It is unlikely that the assumptions will change independently of each other.

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
Riyadh - Kingdom of Saudi Arabia  
**Notes to the financial statements for the year ended December 31, 2025**  
(Expressed in Saudi Riyals)

**19. Short-term borrowings**

<b>Bank facilities - Murabaha</b>	<b>31/12/2025</b>	<b>31/12/2024</b>
Balance at beginning of year	8,000,000	2,000,000
Financing obtained during the year	25,000,000	8,000,000
Charged to finance cost (note 28)	540,065	-
Paid during the year	(18,264,348)	(2000,000)
<b>Balance at year-end</b>	<b><u>15,275,717</u></b>	<b><u>8,000,000</u></b>

- The Company utilizes short-term banking facilities from a local commercial bank having credit facility limit amounting to SR 50 million, to fund its working capital requirements and financing its operating cycle, secured by promissory notes. These facilities are subject to certain financial and non-financial covenants, including a requirement to route at least 50% of total sales proceeds through the lending bank and the timely submission of audited financial statements. As at December 31, 2025, the Company was in full compliance with all such covenants and reporting requirements. Based on current cash flow projections and its historical relationship with the lenders, Management has a reasonable expectation that these short-term facilities will be renewed or rolled over upon their maturity within the next twelve months to ensure continued liquidity for the Company's operations

	<b>31/12/2025</b>	<b>31/12/2024</b>
<b>20. Trade Payables</b>		
Suppliers	<b><u>44,453,125</u></b>	<b><u>30,912,897</u></b>

	<b>31/12/2025</b>	<b>31/12/2024</b>
<b>21. Accrued expenses and other credit balances</b>		
Board of Directors remunerations	3,530,000	1,718,750
Subscription surplus payables*	3,258,720	3,258,720
Due to employees	5,864,838	2,130,137
Deferred revenue	1,833,297	-
Advances from customers	1,202,512	607,729
Value Added Tax (VAT)	613,694	-
Others	4,281,994	982,232
	<b><u>20,585,055</u></b>	<b><u>8,697,568</u></b>

\* The balance of subscription surplus payables represents the excess amounts from the subscription process for the Company's shares in 1990 after allocating the number of shares to each shareholder.

**22. Zakat provision**

**22.1 Calculation of zakat**

According to the new executive regulations, zakat is calculated on the zakat base taking into consideration the minimum and maximum limits of the base. If the total base is less than the minimum zakat base, then zakat is calculated on the minimum limit; and if the total base is greater than the maximum zakat base, then zakat is calculated on the maximum limit.

	<b>2025</b>	<b>2024</b>
The Company's estimated zakat base as of December 31 includes the following components:		
Additions of components subject to zakat	297,363,914	282,786,549
Discounts of components not subject to zakat	(189,843,441)	(189,835,654)
<b>Total zakat base</b>	<b><u>64,264,579</u></b>	<b><u>102,649,904</u></b>
Minimum zakat base	(43,255,894)	5,092,322
Maximum zakat base	228,358,593	276,062,203
<b>Zakat base for the year (354 days)</b>	<b><u>64,264,579</u></b>	<b><u>102,649,904</u></b>
<b>Zakat Base for the Year for 365 days / 354 days</b>	<b><u>66,261,501</u></b>	<b><u>106,129,562</u></b>
<b>Zakat for the year</b>	<b><u>1,656,538</u></b>	<b><u>2,653,239</u></b>

Zakat was calculated on the basis of 2.5% of the Zakat base for 365 days.

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
**Riyadh - Kingdom of Saudi Arabia**  
**Notes to the financial statements for the year ended December 31, 2025**  
**(Expressed in Saudi Riyals)**

	31/12/2025	31/12/2024
<b>22.2 Movement in zakat provision</b>		
Balance at beginning of year	4,185,792	5,881,171
Paid during the year	(4,247,307)	(4,348,618)
Zakat for the year	1,656,538	2,653,239
Zakat difference	-	-
Provided for the year	<u>1,656,538</u>	<u>2,653,239</u>
<b>Balance at year-end</b>	<u><b>1,595,023</b></u>	<u><b>4,185,792</b></u>

**22.3 Zakat status**

The company submitted its zakat return for the year ended December 31, 2024 and received a zakat certificate valid until April 30, 2026.

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

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

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

- The Authority approved the zakat assessment for the financial year ended 31 December 2022.

- The amount payable by the Company based on the zakat return for the financial year ended 31 December 2023 amounted to SR 3,656,585. The Authority issued a zakat assessment amounting to SR 39/3,226,513. However, the Company did not agree with the difference amounting to SR 96/430,071 and submitted an objection to the Authority, which was subsequently rejected. Accordingly, the Company escalated the objection to the Committee for the Resolution of Zakat and Tax Disputes at the General Secretariat of Tax Committees. The Committee held a session and ruled in favor of the Company; however, the decision has not yet become final. The Authority has the right to appeal before the General Secretariat within 30 days from the date of issuance of the Committee's decision.

During 2025, the zakat examination process for the year ended 31 December 2024 commenced and is still ongoing as of the date of this report.

**22.4 Value Added Tax**

The Company filed VAT returns on a monthly basis. It submitted December 2025 return and paid the amount subsequently.

	31/12/2025	31/12/2024
<b>23. Other provisions</b>		
Allowance provision (Note 23.1)	6,516,516	1,997,052
Provision for returns	354,248	-
	<u><b>6,870,764</b></u>	<u><b>1,997,052</b></u>

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
Riyadh - Kingdom of Saudi Arabia  
Notes to the financial statements for the year ended December 31, 2025  
(Expressed in Saudi Riyals)

<b>23. Other provisions...(continued)</b>	<b>2025</b>	<b>2024</b>
<b>23.1 The movement of allowances provision was as follows:</b>		
Balance at beginning of year	1,997,052	4,562,656
Allowance expense recognized during the year (Note 24)	9,427,054	4,281,483
Utilized during the year	(4,907,590)	(6,847,087)
<b>Balance at year-end</b>	<b><u>6,516,516</u></b>	<b><u>1,997,052</u></b>

	<b>2025</b>	<b>2024</b>
<b>24. Revenue - net</b>		
Vegetables factory sales	59,033,431	95,683,593
Pastry sales	43,573,602	50,574,943
Food and meat factory sales	31,395,904	13,052,690
Breakfast cereals factory sales	5,714,666	7,297,035
<b>Less:</b>		
Returns of damaged goods	(448,466)	(708,140)
Cash discounts to customers	(6,673,707)	(4,665,732)
Discount allowed (Note 23.1)	(9,427,054)	(4,281,482)
	<b><u>123,168,376</u></b>	<b><u>156,952,907</u></b>

**24.1 The following outlines the timing of revenue recognition:**

	<b>2025</b>	<b>2024</b>
At a point of time	<b><u>123,168,376</u></b>	<b><u>156,952,907</u></b>

	<b>2025</b>	<b>2024</b>
<b>25. Cost of revenue</b>		
Cost of sold goods	73,324,841	73,863,681
Salaries, wages, allowances and equivalents	11,890,499	11,521,399
Leases	2,827,996	1,102,972
Transportation and cargo	382,235	660,788
Risk insurance	203,635	282,812
GOSI	375,561	405,938
Fuel, electricity and water expenses	9,011,418	7,667,104
Maintenance and repair	1,625,267	2,156,839
Hospitality and cleaning	2,571,915	2,382,654
Medical insurance and treatment	538,598	753,277
Other direct expenses	2,343,494	2,838,791
Depreciation on right-of-use assets (note 7.1)	240,449	240,486
Depreciation on property and equipment (note 5)	7,801,112	6,630,064
Employee defined benefit obligations (note 18)	491,629	263,888
	<b><u>113,628,649</u></b>	<b><u>110,770,693</u></b>

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
**Riyadh - Kingdom of Saudi Arabia**  
**Notes to the financial statements for the year ended December 31, 2025**  
**(Expressed in Saudi Riyals)**

	<b>2025</b>	<b>2024</b>
<b>26. Selling and marketing expenses</b>		
Salaries, wages and benefits	10,745,937	10,135,776
Transport, shipping and unloading	3,090,197	3,537,597
Sale incentives	2,605,289	513,208
Leases	1,976,430	2,127,177
Depreciation on right-of-use assets (note 7.1)	1,814,752	1,244,486
Car and fuel expenses	1,442,783	1,007,201
Depreciation on property and equipment (note 5)	1,066,713	1,007,790
Marketing and sales promotion expenses	860,726	766,222
Fees and subscriptions	668,879	656,588
Medical insurance and treatment	562,842	542,480
GOSI	390,383	349,037
Electricity and water	173,194	218,825
Insurance expenses	159,790	155,312
Employee defined benefit obligations (note 18)	132,889	411,756
Post, telephone and Internet	129,418	116,762
Maintenance and repair	107,394	128,526
Hospitality and cleaning	74,614	70,704
Other	624,794	336,225
	<b>26,627,024</b>	<b>23,325,672</b>

	<b>2025</b>	<b>2024</b>
<b>27. General and administrative expenses</b>		
Salaries, wages and related expenses	8,878,096	9,543,200
Board of Directors bonuses and expenses	3,732,395	2,062,750
Consulting and professional fees (note 27.1)	1,169,812	1,394,083
Fees and subscriptions	1,030,237	1,056,087
Medical insurance and treatment	744,498	346,680
GOSI	458,850	545,477
Employee defined benefit obligations (note 18)	416,418	377,935
Amortization of Intangible Assets (note 8)	173,182	173,182
Canteen and cleaning	126,749	120,553
Bonuses	123,075	100,000
Vehicle insurance	103,721	60,282
Depreciation on property and equipment (note 5)	99,219	113,717
Bank fees	85,126	552,959
Stationary and printings	50,804	76,539
Post, telephone and Internet	46,827	16,938
Cars expenses	44,518	50,207
Leases	35,935	34,981
Maintenance and repair	9,938	11,535
Miscellaneous expenses	359,817	103,130
	<b>17,689,217</b>	<b>16,740,235</b>

**27.1** Audit fees charged to the expenses of the year amounted to SR 375,000 (2024: SR 345,000), and other non-audit services amounted to SR 10,000 (2024: SR 10,000).

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
Riyadh - Kingdom of Saudi Arabia  
**Notes to the financial statements for the year ended December 31, 2025**  
(Expressed in Saudi Riyals)

	2025	2024
<b>28. Finance cost</b>		
Finance contract commission	540,065	-
Lease interest (note 7.2)	694,435	532,200
Cost of interest on employee defined benefit obligations (note 18)	376,033	363,181
Debt transfer expenses (note 9.3.2)	-	309,710
	<b>1,610,533</b>	<b>1,205,091</b>

	2025	2024
<b>29. Other income</b>		
Rental income and other income	1,265,202	3,058,776
Murabaha deposits returns	633,192	1,035,282
	<b>1,898,394</b>	<b>4,094,058</b>

**30. (Loss) earnings per share**

The basic (loss) earnings per share was calculated on the basis the net (loss) earning attributable to the Shareholders of the Company by the weighted average number of issued shares. The reduced (loss) earning per share equaled the basic (loss) earning per share as follows:

	2025	2024
Net (loss) earning attributable to Company's Shareholders	(46,762,474)	4,707,765
Weighted average number of shares issued	23,151,105	23,151,105
<b>Basic and diluted (loss) earning per share attributable to the Company's Shareholders</b>	<b>(2.02)</b>	<b>0.20</b>

**31. Restatements for the comparative year**

**31.1 Statement of financial position as at 31 December 2024**

	Note	31/12/2024		31/12/2024
<b>Assets</b>		<b>Before restatement</b>	<b>Effect of restatement</b>	<b>After restatement</b>
<b>Non-current assets</b>				
Right-of-use assets – net	a	4,127,280	6,278,683	10,405,963
<b>Total non-current assets</b>		<b>180,737,258</b>	<b>6,278,683</b>	<b>187,015,941</b>
<b>Total assets</b>		<b>329,609,058</b>	<b>6,278,683</b>	<b>342,984,238</b>
<b>Shareholders' equity and liabilities</b>				
<b>Shareholders' equity</b>				
Retained earnings	a	7,464,778	(332,208)	7,123,570
<b>Total Shareholders' equity</b>		<b>191,093,811</b>	<b>(332,208)</b>	<b>238,649,523</b>
<b>Non-current liabilities</b>				
Lease liabilities – non-current portion	a	3,783,341	5,186,006	8,969,347
<b>Total non-current liabilities</b>		<b>17,710,633</b>	<b>5,186,006</b>	<b>22,896,639</b>
<b>Current liabilities</b>				
Lease liabilities – current portion	a	548,649	1,281,385	1,830,034
Accrued expenses and other credit balances	a	8,554,068	143,500	8,697,568
Provision for zakat		1,595,023	-	4,185,792
<b>Total current liabilities</b>		<b>116,425,953</b>	<b>1,424,885</b>	<b>81,438,076</b>
<b>Total liabilities</b>		<b>138,515,247</b>	<b>6,610,891</b>	<b>104,334,715</b>
<b>Total Shareholders' equity and liabilities</b>		<b>329,609,058</b>	<b>6,278,683</b>	<b>342,984,238</b>

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
Riyadh - Kingdom of Saudi Arabia  
**Notes to the financial statements for the year ended December 31, 2025**  
**(Expressed in Saudi Riyals)**

**31. Restatements for the comparative year**

**31.2 Adjustments to the Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2024**

	Note	2024 Before adjustment and reclassification	Effect of restatement	Reclassification	2024 After adjustment and reclassification
Revenue, net	b	161,618,639	-	(4,665,732)	156,952,907
<b>Gross profit</b>		<b>50,847,946</b>	<b>-</b>	<b>(4,665,732)</b>	<b>46,182,214</b>
Selling and marketing expenses	a,b	(27,912,099)	(79,305)	4,665,732	(23,325,672)
<b>Income from operating activities</b>		<b>3,854,213</b>	<b>(79,305)</b>	<b>4,665,732</b>	<b>3,774,908</b>
Cost of finance	a	(952,188)	(252,903)	-	(1,205,091)
<b>Net profit for the year before Zakat</b>		<b>7,693,212</b>	<b>(332,208)</b>	<b>-</b>	<b>7,361,004</b>
<b>Net profit for the year</b>	a	<b>5,039,973</b>	<b>(332,208)</b>	<b>-</b>	<b>4,707,765</b>
<b>Other comprehensive income:</b>					
<b>Comprehensive income for the year</b>	a	<b>6,512,827</b>	<b>(332,208)</b>	<b>-</b>	<b>6,180,619</b>
<b>Basic and diluted earnings per share attributable to Company's shareholders of net earnings for the year in Saudi Riyals</b>	a	<b>0.22</b>	<b>(0.02)</b>	<b>-</b>	<b>0.20</b>

a. The impact of correctly accounting for leases in accordance with IFRS 16 - Leases. This adjustment is made retrospectively to align with the requirements of IAS 8, "Accounting Policies, Changes in Accounting Estimates, and Errors."

b. The effect of the reclassification adjustment to ensure proper presentation in line with the current year's financial statements.

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
Riyadh - Kingdom of Saudi Arabia  
**Notes to the financial statements for the year ended December 31, 2025**  
**(Expressed in Saudi Riyals)**

**32. SEGMENT INFORMATION**

The company's primary business activities consist of segments that include the manufacturing and sale of various types of pastries, the sale of vegetables, the manufacturing of breakfast cereals, and the manufacturing and sale of meat products. The company operates within the Kingdom of Saudi Arabia.

The following is a summary of some financial information for the main business segments for the year ended December 31, 2025 (compared to the year ended December 31, 2024)

**Statement of profit or loss for the year ended 31 December 2025**

Items of statement of profit or loss	Vegetables Sector	Pastries Sector	Meat Sector	Breakfast Cereal Sector	Other activities	Total
Revenue, net	52,208,637	38,109,238	27,796,502	5,053,999	-	123,168,376
Cost of revenue	(54,108,785)	(22,649,914)	(31,698,632)	(5,171,318)	-	(113,628,649)
<b>Gross profit</b>	<b>(1,900,148)</b>	<b>15,459,324</b>	<b>(3,902,130)</b>	<b>(117,319)</b>	<b>-</b>	<b>9,539,727</b>
Selling and marketing expenses	(11,200,128)	(8,285,082)	(6,043,057)	(1,098,757)	-	(26,627,024)
General and administrative expenses	(7,584,650)	(5,426,702)	(3,958,183)	(719,682)	-	(17,689,217)
Expected credit losses	(3,533,174)	(2,579,009)	(1,881,104)	(342,025)	-	(8,335,312)
Impairment of other receivables	(433,461)	(316,401)	(230,780)	(41,960)	-	(1,022,602)
Impairment of inventory	(2,993,681)	(90,729)	(199,817)	(92,996)	-	(3,377,223)
(Losses) from valuation of biological assets at fair value	(2,384,173)	-	-	-	-	(2,384,173)
<b>(loss) from operating activities</b>	<b>(30,029,415)</b>	<b>(1,238,599)</b>	<b>(16,215,071)</b>	<b>(2,412,739)</b>	<b>-</b>	<b>(49,895,824)</b>
Cost of finance	(674,907)	(474,940)	(384,244)	(76,442)	-	(1,610,533)
Gains on disposal of property, plant and equipment	<b>516,693</b>	<b>250,210</b>	<b>182,500</b>	<b>33,182</b>	<b>-</b>	<b>982,585</b>
Profits of valuation of investments at fair value through profits or losses	-	-	-	-	3,519,442	3,519,442
Other income	850,256	562,907	410,579	74,652	-	1,898,394
<b>Net (profit) for year before zakat</b>	<b>(29,337,373)</b>	<b>(900,422)</b>	<b>(16,006,236)</b>	<b>(2,381,347)</b>	<b>3,519,442</b>	<b>(45,105,936)</b>
Zakat	(702,173)	(512,546)	(373,846)	(67,973)	-	(1,656,538)
<b>Net (loss) for the year</b>	<b>(30,039,546)</b>	<b>(1,412,968)</b>	<b>(16,380,082)</b>	<b>(2,449,320)</b>	<b>3,519,442</b>	<b>(46,762,474)</b>

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
Riyadh - Kingdom of Saudi Arabia  
Notes to the financial statements for the year ended December 31, 2025  
(Expressed in Saudi Riyals)

**32. SEGMENT INFORMATION... (Continued)**

**Statement of profit or loss for the year ended 31 December 2024**

Items of statement of profit or loss	Vegetables Sector	Pastries Sector	Meat Sector	Breakfast Cereal Sector	Other activities	Total
Revenue, net	90,523,249	12,348,741	47,177,421	6,903,496	-	156,952,907
Cost of revenue	(56,883,490)	(11,918,417)	(37,427,590)	(4,541,196)	-	(110,770,693)
<b>Gross profit</b>	<b>33,639,759</b>	<b>430,324</b>	<b>9,749,831</b>	<b>2,362,300</b>	-	<b>46,182,214</b>
Selling and marketing expenses	(13,453,180)	(1,835,217)	(7,011,307)	(1,025,968)	-	(23,325,672)
General and administrative expenses	(9,655,001)	(1,317,088)	(5,031,835)	(736,311)	-	(16,740,235)
Expected credit losses	(1,264,022)	(172,432)	(658,762)	(96,397)	-	(2,191,613)
Impairment of inventory	(59,915)	(29,957)	(44,934)	(14,980)	-	(149,786)
<b>Operating profit /(loss)</b>	<b>9,207,641</b>	<b>(2,924,370)</b>	<b>(2,997,007)</b>	<b>488,644</b>	-	<b>3,774,908</b>
Finance costs	(652,434)	(147,659)	(341,777)	(63,221)	-	(1,205,091)
Profits of valuation of investments at fair value through profits or losses	-	-	-	-	1,318,812	1,318,812
Other income	2,356,362	329,944	1,228,051	179,701	-	4,094,058
Currency exchange (losses)	(358,558)	(48,913)	(186,868)	(27,344)	-	(621,683)
<b>Net profit for the year before zakat</b>	<b>10,553,010</b>	<b>(2,790,998)</b>	<b>(2,297,601)</b>	<b>577,780</b>	<b>1,318,812</b>	<b>7,361,004</b>
Zakat	(1,362,504)	(285,476)	(896,483)	(108,773)	-	(2,653,239)
<b>Net profit for the year</b>	<b>9,190,507</b>	<b>(3,076,474)</b>	<b>(3,194,087)</b>	<b>469,007</b>	<b>1,318,812</b>	<b>4,707,765</b>

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
**Riyadh - Kingdom of Saudi Arabia**  
**Notes to the financial statements for the year ended December 31, 2025**  
**(Expressed in Saudi Riyals)**

**33. Financial instruments and risk management**

The Company's activities are exposed to various financial risks including: Liquidity risk, credit risk, and market risk (include currency risk, fair value risk, cash flow of commission rate and price risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Company's financial instruments comprise financial assets (cash and cash equivalents, trade receivables, investments at fair value through profit or loss, and other receivables) and financial liabilities (banks, credit facilities, trade and other payables) and include the following risks:

**33.1 Liquidity risks**

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. The Company manages and monitors liquidity risks on a regular basis to ensure that sufficient funds are available to meet the Company's future commitments.

The company's sales conditions stipulate that payments are to be made in cash upon delivery of goods or on a credit basis as per specific credit conditions.

All current liabilities are expected to be settled within 12 months as of the date of the financial statements.

The contractual maturities of financial liabilities as at the end of the year are:

	<b>31 December 2025</b>			
	<b>On demand or less than a year</b>	<b>1-5 years</b>	<b>Payment period not specified</b>	<b>Carrying amount</b>
Short-term borrowings	15,275,717	-	-	15,275,717
Lease liabilities	1,891,180	7,052,252	-	8,943,432
Trade payables	44,453,125	-	-	44,453,125
Debt transfer obligation	-	7,027,598	-	7,027,598
Shareholders' accruals payables	-	-	25,755,089	25,755,089
Accrued expenses and other credit balances	17,326,335	-	3,258,720	20,585,055
Other provisions - refund liability	6,870,764	-	-	6,870,764
	<b>85,817,121</b>	<b>14,079,850</b>	<b>29,013,809</b>	<b>128,910,780</b>
	<b>31 December 2024</b>			
	<b>On demand or less than a year</b>	<b>1-5 years</b>	<b>Payment period not specified</b>	<b>Carrying amount</b>
Short-term borrowings	8,000,000	-	-	8,000,000
Lease liabilities	1,830,034	8,969,347	-	10,799,381
Trade payables	30,912,897	-	-	30,912,897
Debt transfer obligation	-	7,027,598	-	7,027,598
Shareholders' accruals payables	-	-	25,814,733	25,814,733
Accrued expenses and other credit balances	5,438,848	-	3,258,720	8,697,568
Other provisions - refund liability	1,997,052	-	-	1,997,052
	<b>48,178,831</b>	<b>15,996,945</b>	<b>29,073,453</b>	<b>93,249,229</b>

**33.2 Credit risks**

A credit risk refers to the risk that a customer or a counter party in a financial instrument will default on its contractual obligations resulting in financial loss to Company and arises principally from the cash placed at banks and receivables. The Company minimizes credit risks associated with receivables by establishing procedures for credit limits for each customer and monitoring outstanding receivables in line with a set of procedures and policies. Cash is deposited with high credit rated banks.

The following are the carrying amounts of financial assets which represent the maximum of credit risks:

	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	30,320,672	26,929,576
Trade receivables	70,581,997	64,158,379
	<b>100,902,669</b>	<b>91,087,955</b>

Accounts receivable are shown net of provision for impairment of trade receivables and sales discounts and returns. The Company applies the simplified version of ECL measurement by grouping receivables based on common credit risk characteristics and the days on which they are due.

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
**Riyadh - Kingdom of Saudi Arabia**  
**Notes to the financial statements for the year ended December 31, 2025**  
**(Expressed in Saudi Riyals)**

**33.3 Market risks**

Market risk is the risk of fluctuations in a financial instrument due to changes in prevailing market prices such as foreign exchange rates, interest rates, and equity rates, which affect the Company's income or the value of its financial instruments. Market risk management aims to manage and control market risk exposure within acceptable parameters while maximizing returns.

The Company is exposed to the following market risks:

**Currency risk**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates affecting foreign currency payments and receipts along with assessment of assets and liabilities in foreign currencies.

The Company is subject to fluctuations in foreign exchange rates in the normal course of its business. The Management regularly monitors changes in foreign exchange rates and manages the impact on the financial statements.

**Fair value risk**

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

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

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

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

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

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

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

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

The Company's financial instruments are grouped using the historical cost principle except investments and the derivative financial instruments that are charged according to the fair value. Differences between the carrying amount and the fair value estimates might arise. The Management believes that the fair value of the financial assets and liabilities are not materially different to the carrying amount.

**The financial assets measured at fair value are as follows:**

<b>Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investments at fair value through profit or loss	-	-	16,394,689	16,394,689
Investments at fair value through other comprehensive income	570,066	-	-	570,066
<b>Total assets at fair value</b>	<b>570,066</b>	<b>-</b>	<b>16,394,689</b>	<b>16,964,755</b>

**Interest rate risk (currencies)**

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

**Commodity price risk**

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

**WAFRAH FOR INDUSTRY AND DEVELOPMENT COMPANY**  
**A SAUDI JOINT STOCK COMPANY**  
**Riyadh - Kingdom of Saudi Arabia**  
**Notes to the financial statements for the year ended December 31, 2025**  
**(Expressed in Saudi Riyals)**

**33.4 Capital risk management**

The Company's objectives when managing capital are to protect the Company's ability to continue as a going concern, so that it can continue to maintain the optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may obtain financing from financial institutions.

In line with industry practice, the Company manages capital risk by monitoring debt levels and liquid assets while considering future investment requirements and shareholder expectations. The key information related to the Company's capital risk management as shown in the statement of financial position was as follows:

	<b>31/12/2025</b>	<b>31/12/2024</b>
Total debts	138,515,247	104,334,715
Less: cash and cash equivalents	(30,320,672)	(26,929,576)
Net debt	<b>108,194,575</b>	<b>77,405,139</b>
Total equity	191,093,811	238,649,523
Total capital utilized	<b>299,288,386</b>	<b>316,054,662</b>
Debt ratio	<b>36.2%</b>	<b>24.5%</b>

The debt ratio represents the ratio of net debt to total capital employed.

**33.5 Climate Change and Agricultural Risks**

The company is exposed to climate change risks over both the short and long term, which are inherent to the nature of agricultural activities. The company recognizes the potential impact of these risks on its operations and financial results, and continuously works to minimize the environmental footprint associated with its business, partly due to the risks intrinsic to this activity.

Rising fuel costs and greenhouse gas emissions from fuel and electricity consumption not only affect the environment but also extend to impact the company's financial results. Climate change also leads to additional risks to agricultural production, such as drought, pests, and sudden weather changes, which pose real challenges to the sustainability and growth of production.

The company is developing and implementing a sustainability strategy aimed at improving energy performance through energy efficiency, rationalizing water consumption, adopting sustainable farming practices, and selecting agricultural areas with lower exposure to flooding or severe weather changes.

**34. Events subsequent to financial statements date**

Management of the Company believes there are no significant events as of the date of the financial position on December 31, 2025 and until the date of preparing these financial statements that may have a significant impact on the Company's financial position reported.

**35. Approval of financial statements**

These financial statements for the year ended December 31, 2025 were approved by the Board of the Directors on March 29, 2026 (corresponding to Shawal 10, 1447H).