

# Rights Issue Prospectus

## Development Works Food Company



The offering of Rights Shares under this Prospectus is contingent on the shareholders' approval to increase the share capital in accordance with the Board of Directors' recommendation and the Company's obtaining regulatory approvals. An invitation was sent to hold the Company's Extraordinary General Assembly to approve increasing the Company's capital by issuing Rights on xx/xx/xxxxH (corresponding to xx/xx/xxxxG). The shareholders should note that if the shareholders' approval is not obtained to increase the capital by issuing Rights, the Rights issue will automatically stop. In such case, this Prospectus shall be considered void and the shareholders will be notified accordingly.



### Trading Period

Starts from xx/xx/xxxxH (corresponding to xx/xx/xxxxG)  
until xx/xx/xxxxH (corresponding to xx/xx/xxxxG)

### Offering Period

Starts from xx/xx/xxxxH (corresponding to xx/xx/xxxxG)  
until xx/xx/xxxxH (corresponding to xx/xx/xxxxG)

Development Works Food Company is a Saudi Joint-Stock Company under Ministerial Resolution No. (5/19), dated 25/01/1438H (corresponding to 26/10/2016G), under CR No. (1010290779), dated 16/07/1431H (corresponding to 28/06/2010G), issued in the City of Riyadh.

Offering of twenty-one million six hundred thousand (21,600,000) ordinary shares at an offer price of ten (10) Saudi Riyals per share through issuing Rights shares with a total value of two hundred sixteen million (216,000,000) Saudi Riyals, which represents an increase by (720%) in the Company's capital. The Company's capital reached two hundred forty-six million (246,000,000) Saudi Riyals.

Development Works Food Company ("Company" or "Issuer") is firstly incorporated as a limited liability company under the name of "Qoot for developing food and restaurants" under a memorandum of association dated 25.06.1431H (corresponding to 08/06/2010G), and registered under CR No. (1010290779), dated 16/07/1431H (corresponding to 28/06/2010G), issued in the City of Riyadh. On 03/01/1435H (corresponding to 06/11/2013G), the Company's name was changed from "Qoot for developing food and restaurants" to "Development Works Food Company". On 25/01/1438H (corresponding to 26/10/2016G), the Company's legal status was changed from a limited liability company to a closed joint-stock company under Ministerial Resolution No. (5/19). On 29/05/1438H (corresponding to 26/02/2017G), the Company's whole shares were listed in Nomu-Parallel Market and the Company was transformed into a Saudi Joint-Stock Company. On 18/04/1443H (corresponding to 23/11/2021G), the Company was transferred, listed and its whole shares were traded in the main Saudi Stock Exchange. (For more information about the Company's history, please see subsection (3-3) "Company's History and Most Significant Developments in its Capital" of this Prospectus). The headquarters of the Company is located in the City of Riyadh, Alaymouk District, Damam Highway, Postal Code 13243, P.O. Box: 7830, KSA. As on the date of this Prospectus, the Company's current capital is thirty million (30,000,000) Saudi riyals, divided into three million (3,000,000) ordinary shares, the value of each is ten (10) Saudi riyals and they are fully paid (hereinafter referred to individually as "current share" and jointly as "current shares"). As on the date of this Prospectus, there are no substantial shareholders in the company (who own 5% or more of the Company's shares).

At its meeting held on 05/05/1443H (corresponding to 09/12/2021G), the Company's Board of Directors recommended increasing the Company's capital at (720%), i.e., from thirty million (30,000,000) Saudi riyals to two hundred forty-six million (246,000,000) Saudi riyals, by issuing Rights shares at twenty-one million six hundred thousand (21,600,000) new ordinary shares in the value of two hundred sixteen million (216,000,000) Saudi riyals after obtaining all required legal approvals as well as the Extraordinary General Assembly's approval.

On xx/xx/xxxxH (corresponding to xx/xx/xxxxG), the Company's Extraordinary General Assembly agreed to increase the Company's capital at (720%) by issuing Rights shares. The subscription is represented in offering twenty-one million six hundred thousand (21,600,000) new ordinary shares (hereinafter referred to as "rights shares" or "new shares") with an offer price of ten (10) Saudi Riyals per one share (hereinafter referred to as "offer price") with a nominal value of ten (10) Saudi Riyals to increase the Company's capital at (720%) from thirty million (30,000,000) Saudi riyals to two hundred forty-six million (246,000,000) Saudi riyals and increase the number of shares from three million (3,000,000) ordinary shares to twenty-four million six hundred thousand (24,600,000) ordinary shares. The Company's registered shareholders shall have as at the end of the trading period on the day of the Extraordinary General Assembly and those registered in the shareholders' register of the Company at the Depository Center as at the end of the second trading day following the Extraordinary General Assembly on capital increase is held on xx/xx/xxxxH (corresponding to xx/xx/xxxxG) the right to subscribe to new shares according to their percentage of ownership on that date.

The Rights will be issued in the form of tradable securities (referred to collectively as "Rights" and individually as "Right") to shareholders owners of shares as at the close of trading on the date of convening the Extraordinary General Assembly, which resolved to increase the share capital (referred to as "Eligibility Date"), who are recorded in the Company's Shareholders Register held with the Depository Center as of the close of the second trading day following the date of the Extraordinary General Assembly regarding the approval of capital increase on xx/xx/xxxxH (corresponding to xx/xx/xxxxG) (referred to collectively as "Registered Shareholders" and individually as "Registered Shareholder") on condition that such Rights will be deposited into the Registered Shareholders' portfolios after the Extraordinary General Assembly, considering settlement procedures of (7.20) rights for each (1) share and each Right grants its holder the right to subscribe to one New Share at the Offer Price.

Registered Shareholders and other general investors will be able to (Hereinafter referred to as "New Investors") - who may trade rights and subscribe to new shares - trade and subscribe to shares of the Rights in the Saudi Stock Exchange (Hereinafter referred to as "Tadawul" Or "Market"). The trading period and subscription period shall begin on xx/xx/xxxxH (corresponding to xx/xx/xxxxG). The trading period shall expire on xx/xx/xxxxH (corresponding to xx/xx/xxxxG) (Hereinafter referred to as "Trading Period"), while the subscription period lasts until the end of day xx/xx/xxxxH (corresponding to xx/xx/xxxxG) (Hereinafter referred to as "Subscription Period"). It should be noted that the Trading Period and the Subscription Period shall start on the same day while the Trading Period continues until the end of the sixth day from the beginning of the period, while the Subscription Period continues until the end of the period for the ninth day of the beginning of the same period.

During the Trading Period, the Registered Shareholders will be able to trade the Rights by selling the acquired Rights or part thereof, or buying additional Rights through Market. In addition, New Investors will be able to buy and sell the Rights or not take any procedure regarding the rights they own during trading period through Market.

The subscription to New Shares (during the Subscription Period) would be through one phase according to the following:

- 1) During this Period, all Registered Shareholders and New Investors will be allowed to subscribe for the New Shares.

2) The registered Shareholder will be able to subscribe directly to the full number or part of his shares during the subscription period. In case of purchasing new rights, he will be allowed to subscribe to them after the end of the settlement period (two business days).

3) New Investors will be allowed to subscribe to the New Shares after the settlement of the Rights purchase process (two working days).

4) The subscription will be available electronically through investment portfolios in the trading platforms and applications, through which the sale and purchase of orders are entered, as well as through other channels and means provided by the broker.

If any shares remain unsubscribed after the end of the Subscription Period (Hereinafter referred to as "Rump Shares"), they will be offered to a number of Institutional Investors (Hereinafter referred to as "Institutional Investors") (Hereinafter referred to as "Rump Offering"). Such Institutional Investors shall submit their offers for purchasing the Rump Shares and the receipt of those offers shall commence at 10:00 AM on xx/xx/xxxxH (corresponding to xx/xx/xxxxG) and continue until 5:00 PM on xx/xx/xxxxH (corresponding to xx/xx/xxxxG) (Rump Offering Period). The Rump Shares shall be allocated to Institutional Investors in order of the offered price starting with the highest offer up to the lowest offer (provided that the price shall not be less than the Offer Price). The Rump Shares shall be allocated on a pro rata basis among Institutional Investors that provided offers at the same price. The fractional shares shall be added to the Rump Shares and treated in the same manner. The total Offer Price shall be paid from the Company's remaining offering. All remaining proceeds (if any) resulting from the Offering shall be distributed without calculating any fees or deductions (exceeding the Offer Price) to the eligible persons as per their entitlement on a pro rata basis no later than xx/xx/xxxxH (corresponding to xx/xx/xxxxG). To be noted that the investor and owners of fractional shares, who did not subscribe or sell the rights, may not receive any consideration if the sale occurs during the Rump Offering Period at the Offer Price.

In the event that the Institutional Investors do not subscribe to all Rump Shares and fractional shares, such shares shall be allocated to the Underwriter, which will subscribe to the same at the Offer price (Please refer to Section (13) - "Information related to Shares and Offering Provisions and Conditions"). The final allocation will be announced no later than xx/xx/xxxxH (corresponding to xx/xx/xxxxG) (Hereinafter referred to "Allocation Date") (Please refer to Section (13) - "Information related to Shares and Offering Provisions and Conditions").

Upon completion of the Offering, the Company's capital shall reach two hundred forty-six million (246,000,000) Saudi Riyals, divided into twenty-four million six hundred thousand (24,600,000) ordinary shares. After deducting all Offering costs, the net proceeds generated by the subscription will be used mainly to diversify and expand the Company's business, automate production lines, optimize the publication of its brands to cover all KSA regions, achieve the Company's future goals according to its aspirations (please refer to Section (7) "Use of Proceeds from Offering and Future Projects").

The Company has one class of shares. No Shareholder shall have any preferential rights. The new shares will be fully paid and will be exactly equal to outstanding shares. Each Share entitles its holder to one vote and each shareholder (Hereinafter referred to as the "Shareholder") has the right to attend and vote at the Shareholders' (Ordinary or Extraordinary) General Assembly meetings (Hereinafter referred to as the "General Assembly"). Holders of new shares shall be entitled to any dividends announced by the Company after issuance of such shares (if any).

The Company's whole shares were listed in Nomu-Parallel Market amounting one million two hundred fifty thousand (1,250,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share on 29/05/1438H (corresponding to 26/02/2017G) after obtaining the approval of the Capital Market Authority (CMA) and Saudi Stock Exchange (Tadawul). On 10/01/1441H (corresponding to 09/09/2019G), the Company increased its capital by (100%) from twelve million five hundred thousand (12,500,000) Saudi riyals to twenty-five million (25,000,000) Saudi riyals. The amount of increase in capital was paid through capitalization of twelve million five hundred (12,500,000) Saudi riyals from the retained profits account. One million two hundred fifty thousand (1,250,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share were issued as bonus shares at one bonus shares per each issued share. On 09/02/1443H (corresponding to 16/09/2021G), the Company increased its capital by (20%) from twenty-five million (25,000,000) Saudi riyals to thirty million (30,000,000) Saudi riyals. The amount of increase in capital was paid through capitalization of one million nine hundred twenty-three thousand eight hundred seventy-two (1,923,872) Saudi riyals from the statutory reserve account as well as capitalization of three million seventy-six thousand one hundred twenty-eight (3,076,128) Saudi riyals from the retained profits account. Five hundred thousand (500,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share were issued as bonus shares at one bonus shares per each five issued share. On 18/04/1443H (corresponding to 23/11/2021G), the Company was transferred, listed and its whole shares were traded in the main Saudi Stock Exchange at three million (3,000,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share after obtaining the approval of the Capital Market Authority (CMA) and Saudi Stock Exchange (Tadawul).

The Company's outstanding shares are currently traded on Saudi Stock Exchange. The Company has applied to the Capital Market Authority of the Kingdom of Saudi Arabia (Hereinafter referred to as "CMA") for listing, offering and admission of the new shares. A request was also submitted to Saudi Stock Exchange (Tadawul) to be admitted for listing. All required documents were provided, all requirements of related entities were met and this Prospectus has been approved.

Trading of new shares is expected to commence on the Market soon after the final allocation of the new shares and refund of extra subscriptions (please refer to page (q) "Key Dates and Subscription Procedures"). Upon registration and admission of the new shares, Saudi nationals, legal residents, nationals of Gulf Cooperation Council countries, Saudi and GCC companies and investment funds, and eligible foreign investors will be permitted to subscribe to the same under Rules for Foreign Investment in Securities. Furthermore, other categories of foreign investors are entitled to the economic benefits associated with the new shares by concluding swap agreements with persons authorized by CMA (the "Licensee Person"), noting that the Licensee Person shall in such case be the registered legal owner of shares.

This Prospectus must be read in full and the "Important Notice" section, in Page (a), and Section 2 "Risk Factors" of this Prospectus must be considered prior to making any investment decision with regard to Rights or new shares.

Financial Advisor and Lead Manager



Underwriter



This Prospectus includes information provided in the application for listing and offering of securities in accordance with Rules on the Offer of Securities and Continuing Obligations issued by Capital Market Authority of Saudi Arabia (referred to as "CMA"), and the application for listing of securities in compliance with the listing rules of the Saudi Stock Exchange. The Directors, whose names appear on page (d) collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, there are no other facts that omission of which would make any statement herein misleading. CMA and the Saudi Stock Exchange do not take any responsibility for the contents of this Prospectus, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus.

This Prospectus was issued on 16/01/1445H (corresponding to 03/08/2023G)



JUICETIME  
وقت العصير

كويزنوز  
QUIZNOS



Development Works  
FOOD COMPANY

شركة الأعمال التطويرية الغذائية

This Prospectus includes information provided in the application for listing and offering of securities in accordance with Rules on the Offer of Securities and Continuing Obligations issued by Capital Market Authority of the Kingdom of Saudi Arabia (referred to as "CMA"), and the application for listing of securities in compliance with the listing rules of the Saudi Stock Exchange. The Directors, whose names appear on page (d) collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, there are no other facts that omission of which would make any statement herein misleading. CMA and the Saudi Stock Exchange do not take any responsibility for the contents of this Prospectus, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus.

This Prospectus was issued on 16/01/1445H (corresponding to 03/08/2023G)



## Important Notice

This Prospectus (the "Prospectus") provides full details of information relating to Development Works Food Company and the Rights Shares offered for subscription. In subscribing to new shares, investors shall be treated as applying on the basis of the information contained in this Prospectus, copies of which are available at the Company's head office, the Lead Manager, or by visiting the website of the Company ([www.dwf.com.sa](http://www.dwf.com.sa)), the financial advisor ([www.yaqeen.sa](http://www.yaqeen.sa)), CMA ([www.cma.org.sa](http://www.cma.org.sa)) and Saudi Stock Exchange "Tadawul" ([www.saudiexchange.sa](http://www.saudiexchange.sa)).

The Prospectus will be published and assured to be available to the public within a period not less than (14) days prior to the date of the Extraordinary General Meeting for the capital increase. In the event that the Extraordinary General Meeting does not approve the capital increase within six months from the date of CMA's approval on registering and Offering the Right Issue, such an approval given by CMA shall be deemed to be canceled.

The Company also appointed ("Yaqeen Capital") as a Financial Consultant ("Financial Consultant") Lead Manager ("Lead Manager"), (Al Wasatah Al Maliah "Wasatah Capital") as Underwriter ("Underwriter") regarding the offering of Rights Shares to increase the Company's capital under this Prospectus.

This Prospectus includes information given in compliance with the Rules of Offering Securities and Continuing Obligations issued by CMA. The Directors, whose names appear on page (d) collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, there are no other facts that omission of which would make any statement herein misleading. CMA and the Saudi Stock Exchange (Tadawul) do not take any responsibility for the contents of this Prospectus, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus.

While the Company has made all reasonable studies and inquiries as to the accuracy of the information contained in this Prospectus as of the date hereof, substantial portions of the information herein are derived from external sources. While neither the Company nor any of directors, Financial Advisor, or Company's advisors, whose names appear on pages (f) and (g), have any reason to believe that such information is materially inaccurate, and such information was not independently verified. Accordingly, no representations or assurances are made with respect to the accuracy or completeness of any of this information.

The information contained in this Prospectus, as of the date of its publication, is subject to change. In particular, the Company's financial condition and value of shares may be adversely affected by future developments such as inflation, interest rates, taxation or other economic, political and other factors, over which the Company has no control (Please refer to Section (2) "Risk Factors" of this Prospectus). Neither this Prospectus nor any oral or written communication in relation to the Rights Shares is intended to be, nor should be construed as or relied upon in any way as a promise or representation as to future earnings, results or events. This Prospectus should not be regarded as a recommendation by the Company or any of its directors or its Advisers, to participate in the subscription of Rights Shares. Moreover, the information provided in this Prospectus is of a general nature and has been prepared without considering individual investment objectives, financial condition, or particular investment needs. Prior to making an investment decision, each recipient of this Prospectus shall obtain independent professional advice from a financial adviser licensed by CMA in relation to subscribing for the New Shares in order to assess the appropriateness of investment opportunity and information herein, with regard to the recipient's respective objectives, financial positions and needs.

All the Registered Shareholders and other investors ("New Investors"), who may trade the Rights and subscribe to the New Shares, will be able to trade and subscribe to the Rights in the Saudi Stock Exchange ("Tadawul" or "SSE"). The trading period and subscription period will commence as of **xx/xx/xxxx**H (corresponding to **xx/xx/xxxx**G), provided the trading period ends on **xx/xx/xxxx**H (corresponding to **xx/xx/xxxx**G) ("Trading Period"), while the subscription period will continue until the end of **xx/xx/xxxx**H (corresponding to **xx/xx/xxxx**G) ("Subscription Period"). It is important to note that the Trading Period and the Subscription Period will start on the same day while the Trading



Period continues until the end of the sixth day of the period, and the Subscription Period continues until the end of the ninth day of the same period.

During the Trading Period, the Registered Shareholders will be able to trade the Rights by selling the acquired Rights or part thereof, or buying additional Rights through Market. In addition, New Investors will be able to buy and sell the Rights during trading period through SSE.

**The subscription to New Shares (during the Subscription Period) would be through one phase according to the following:**

- 1) During this Period, all Registered Shareholders and New Investors will be allowed to subscribe for the New Shares.
- 2) The registered Shareholder will be able to subscribe directly to the number or part of his shares during the subscription period. In case of purchasing new rights, he will be allowed to subscribe to them after the end of the settlement period (two business days).
- 3) New Investors will be allowed to subscribe to the New Shares after the settlement of the Rights purchase process (two working days).
- 4) The subscription will be available electronically through investment portfolios in the trading platforms and applications, through which the sale and purchase of orders are entered, as well as through other channels and means provided by the broker.

If any shares remain unsubscribed after the end of the Subscription Period ("Rump Shares"), they will be offered to a number of institutional ("Institutional Investors") (referred to as "Rump Offering"). Such Institutional Investors shall submit their offers for purchasing the Rump Shares and the receipt of those offers shall commence at 10:00 AM on xx/xx/xxxxH (corresponding to xx/xx/xxxxG) and continue until 5:00 PM on xx/xx/xxxxH (corresponding to xx/xx/xxxxG) ("Rump Offering Period"). The Rump Shares shall be allocated to Institutional Investors in order of the offered price starting with the highest offer up to the lowest offer (provided that the price shall not be less than the Offer Price). The Rump Shares shall be allocated on a pro rata basis among Institutional Investors that provided offers at the same price. The fractional shares shall be added to the Rump Shares and treated in the same manner. The total Offer Price shall be paid from the Company's remaining offering. All remaining proceeds (if any) resulting from the Offering shall be distributed (exceeding the Offer Price) to the eligible persons as per their entitlement on a pro-rata basis no later than xx/xx/xxxxH (corresponding to xx/xx/xxxxG). To be noted that the investor and owners of fractional shares, who did not subscribe or sell the rights, may not receive any consideration if the sale occurs during the Rump Offering Period at the Offer Price.

In the event that the Institutional Investors do not subscribe to all Rump Shares and fractional shares, such shares shall be allocated to the Underwriter, which will subscribe to the same at the Offer price (Please refer to Section (13) - "Information related to Shares and Offering Provisions and Conditions" of this Prospectus). The final allocation will be announced no later than xx/xx/xxxxH (corresponding to xx/xx/xxxxG) (the "Allocation Date") (Please refer to Section (13) "Information related to Shares and Offering Provisions and Conditions" of this Prospectus).

The offering of Rights Shares under this Prospectus is contingent on the shareholders' approval to increase the share capital in accordance with the Board of Directors' recommendation and the Company's obtaining regulatory approvals. An invitation was sent to hold the Company's Extraordinary General Assembly to approve increasing the Company's capital by issuing Rights on xx/xx/xxxxH (corresponding to xx/xx/xxxxG). The shareholders should note that if the shareholders' approval is not obtained to increase the capital by issuing Rights, the Rights issue will automatically stop. In such case, this Prospectus shall be considered void and the shareholders will be notified accordingly.



## Financial Information

The Company's audited financial statements for the financial year ending on December 31, 2019G, audited consolidated financial statements for the financial years ended on December 31, 2020G and 2021G, and notes thereof, have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and other standards and publications approved by Saudi Organization for Certified Public Accountants (SOCPA). The financial information for 2019G mentioned in the Company's audited financial statements for the financial year ending on December 31, 2019G differ from those mentioned for the purposes of comparison in the Company's audited consolidated financial statements for the financial year ending on December 31, 2020G, as they were amended to comply with the International Financial Reporting Standards (IFRS). Therefore, the financial information for 2019G, which were amended and included for comparison purposes in the Company's audited consolidated financial statements for the financial year ended on December 31, 2020G, have been adopted.

The Company's financial statements for the financial years ended on 31 December 2019G and 2021G were audited by AlKharashi & Co. Certified Accountants and Auditors. The Company's financial statements for the financial year ended on 31 December 2020G were audited by Dr. Abdelgadir Bannaga & Partners Company (Allied Accountants) Certified Accountants and Auditors. The Company issues its financial statements in Saudi Riyals.

Some of financial and statistical information contained in this Prospectus has been rounded to the nearest whole number, and accordingly, in case of adding up the numbers in the tables, the total number may not correspond to what was mentioned in this Prospectus.

## Forecasts and Forward-Looking Statements

Forecasts set forth in this Prospectus have been prepared on the basis of certain stated assumptions, which were stated in relevant topics. Company's future conditions may differ from the assumptions used and consequently no representation or warranty is made with respect to the accuracy or completeness of any of these forecasts.

Certain statements in this Prospectus constitute "forward-looking-statements". Such statements can generally be identified by their use of forward-looking words such as "decides/plans", "estimates", "believes", "expects", "it is possible", "will", "intends", "should", "it is expected", "may", "holds" or the negative or other variation of such terms or comparable terminology. These forward-looking statements reflect the current views of the Company with respect to future events, and are not a guarantee of future performance. Many factors could cause the actual results, performance or achievements of the Company to be significantly different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Some of the most important risks and factors are described in more detail in other sections of this Prospectus (please refer to Section (2) "Risk Factors" of this Prospectus). Should any one or more of the risks or uncertainties materialize or any underlying assumptions prove to be inaccurate or incorrect, actual results may vary materially from those mentioned in this Prospectus.

Pursuant to the requirements of Rules of Offering Securities and Continuing Obligations, the Company shall provide CMA with a supplementary Prospectus if at any time, after the Prospectus has been published and before the offering is completed, it becomes aware that: (i) there has been a significant change in material matters contained in the Prospectus; or (ii) additional significant matters have become known that would have been required to be included in the Prospectus. With the exception of these two events, the Company does not intend to update or otherwise revise any information in this Prospectus, whether as a result of new information, future events or otherwise in relation to the Company, sector or risk factors.



## Corporate Directory

| Board of Directors Members  |                           |                               |             |     |              |            |          |            |
|---|---------------------------|-------------------------------|-------------|-----|--------------|------------|----------|------------|
| Company's Board of Directors appointed on 09/02/1443H (corresponding to 16/09/2021G)* |                           |                               |             |     |              |            |          |            |
| Name  | Position                  | Directorship                  | Nationality | Age | Owned shares |            |          |            |
|   |                           |                               |             |     | Direct       |            | Indirect |            |
|   |                           |                               |             |     | Number       | Percentage | Number   | Percentage |
| Anas Salih Alamoud **   | Chairman                  | Non-Independent Non-Executive | Saudi       | 38  | -            | -          | -        | -          |
| Hisham Abdelrahman Muhammad bin Mogren**  | Vice-Chairman & CEO       | Independent Non-Executive     | Saudi       | 50  | -            | -          | -        | -          |
| Ibrahim Nasir Alshimimri  | Board of Directors Member | Independent Non-Executive     | Saudi       | 47  | -            | -          | -        | -          |
| Yazeed Khalid Altamimi  | Board of Directors Member | Independent Non-Executive     | Saudi       | 24  | -            | -          | -        | -          |
| Bashar Abdelaziz Aba Alkhail***   | Board of Directors Member | Independent Non-Executive     | Saudi       | 46  | -            | -          | -        | -          |
| Abdellah Khalid Alfadli***  | Board of Directors Member | Independent Non-Executive     | Saudi       | 25  | -            | -          | -        | -          |

Source: Company

\*In its assembly held on 29/02/1443H (corresponding to 16/09/2021G), the Ordinary General Assembly approved the nomination of the said Board of Directors Members for the current session, which commenced on 24/03/1443H (corresponding to 30/10/2021G) for three years ending on 26/04/1446H (corresponding to 29/10/2024G).

\*\* In its assembly held on 25/03/1443H (corresponding to 31/10/2021G), the Company's Board of Directors resolved to appoint Mr. Ashry Saad Alashry as the Chairman and Mr. Anas Salih Alamoud as Vice-Chairman for the current session, which expires on 26/04/1446H (corresponding to 29/10/2024G). On 21/12/1444 AH (corresponding to 09/07/2023 AD), the Board of Directors approved the resignation of the Chairman of the Board of Directors, Mr. Ashry Saad Mizal Al-Ashry due to his special circumstances, and the appointment of Mr. Anas Saleh Ibrahim Al-Amoud as Chairman of the Board of Directors for the current term of the Board of Directors, which ends on the 26/04/1446 AH (corresponding to 29/10/2024 AD), and on 28/12/1444 AH (corresponding to 16/07/2023 AD), the Board of Directors decided to appoint a new member in the vacant position in the Board of Directors, Mr. Hisham Abdul Rahman Muhammad bin Muqrin, and appointed him as Vice Chairman The Board of Directors for the current term of the Board of Directors, which ends on 26/04/1446 AH (corresponding to 29/10/2024 AD).

\*\*\*On 17/11/1443H (corresponding to 16/06/2022G), the Extraordinary General Assembly agreed to appoint Board of Directors Member Mr. Bashar Abdelaziz Aba Alkhail instead of resigned Board of Directors Member Mr. Abdulrahman Nasser Zayed Alasmari, and appoint Mr. Abdellah Khalid Alfadli as new Board of Directors Member so that the number of Board of Directors Members is six till the end of the current session, which expires on 26/04/1446H (corresponding to 29/10/2024G).

## Development Works Food Company

### Address of Company and Representatives

#### Development Works Food Company

Riyadh, Alyarmouk District, Damam Highway,  
Postal Code 13243, P.O. Box: 7830, KSA.  
Tel: +966 112886880  
Fax: +966 112886883  
Email: info@dwf.com.sa  
Website: www.dwf.com.sa



### Representative of Company

| Statement       | First Authorized Representative of Company   | Second Authorized Representative of Company   |
|-----------------|--|---|
| <b>Name</b>     | ANAS SALIH ALAMOUD   | HISHAM ABDELRAHMAN BIN MOGREN   |
| <b>Capacity</b> | CHAIRMAN   | VICE-CHAIRMAN & CEO   |
| <b>Address</b>  | Riyadh, Alyarmouk District, Damam Highway,<br>Postal Code 13243, P.O. Box: 7830<br>KSA | Riyadh, Alyarmouk District, Damam Highway,<br>Postal Code 13243, P.O. Box 7830<br>KSA |
| <b>Tel:</b>     | +966 112886880      Ext 124  | +966 112886880      Ext 101   |
| <b>Fax:</b>     | +966 112886883   | +966 112886883  |
| <b>Email:</b>   | Chairman@dwf.com.sa  | Halmogren@dwf.com.sa  |

Source: Company

### Stock Exchange

#### Saudi Stock Exchange (Tadawul)

King Fahd Rd., Al Olaya 6897, Unit No. 15  
Riyadh 12211 - 3388 KSA  
Tel: +966 920001919  
Fax: +966 11 2189133

Email: csc@saudiexchange.sa  
Website: www.saudiexchange.sa



## Consultants and Chartered Accountants

### Financial Advisor and Lead Manager

#### Yaqeen Capital

Riyadh, Al Warood District, Public Al Olaya St., Al Olaya Rd. and King Abdulla St. Intersection

P.O. Box: 884 Riyadh 11421

KSA

Tel: +966 8004298888

Fax: +966 11 2054827

Email: Addingvalue@yaqeen.sa

Website: www.yaqeen.sa



### Underwriter

#### Al Wasatah Al Maliah "Wasatah Capital"

Riyadh, Public Al Olaya St.

P.O. Box: 50315 Riyadh 11523

KSA

Tel: +966 11 4944067

Fax: +966 11 4944205

Email: info@wasatah.com.sa

Website: www.wasatah.com.sa



### Legal Advisor

#### Alsaleh, Alsahli & Partners Law Firm

King Abdulla Rd., Al-Saif Trade Center (1)

P.O. Box: 90549 Riyadh 11623

KSA

Tel: +966 11 2054555

Fax: +966 11 2054222

Email: corporate@ssfirms.com.sa

Website: [www.ssfirms.com.sa](http://www.ssfirms.com.sa)

الصالح والسهلي ومشاركوهم  
للمحاماة والاستشارات القانونية

Alsaleh, Alsahli & Partners Law Firm

In co - operation with *Daher Firm*







## Development Works Food Company

### Chartered Accountant

Financial years ended on December 31, 2019G and 2021G

#### **Sulaiman Abdullah AlKharashi Co. (AlKharashi & Co. Certified Accountants and Auditors)**

7425 Al Sahab Tower, Al Takhassousi St.

P.O. Box: 8306 Riyadh 11482

KSA

Tel: +966 920028229

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Email: general@alkharashicaa.com

Website: www.alkharashicaa.com



### Chartered Accountant

Financial year ended on December 31, 2020G

#### **Dr. Abdelgadir Bannaga & Partners Company (Allied Accountants) Certified Accountants and Auditors**

Al Urubah Rd., Al Olaya District, bldg. No. 3193, 1st Fl.

P.O. Box: 12333 Riyadh 8335

KSA

Tel: 9361 416 11 +966

Fax: 9349 416 11 +966

Email: malsous@rsmsaudia.com

Website: www.rsmksa.com



#### **Note:**

All of the said advisors and Auditors have given their written consent to the inclusion of their names, logos and statements according to the form and content set in this Prospectus; and none of them has withdrawn such approval till the date of this Prospectus. None of the consultants, chartered accountants, their employees or any of their relatives have any shareholding or interest of any kind in the Company or its subsidiaries as of the date of this Prospectus.



# Development Works Food Company

## Summary of the Offer

Prospective Investors should read and review the entire Prospectus before making an investment decision as to whether to subscribe to or trade in the Rights Issue, particularly the "Important Notice" section in page (a) and section (2) "Risk Factors" mentioned in this Prospectus. Whereas the summary of offering stated below is insufficient to make an investment decision, below is the summary of the Offering:

|   |   |
|---|---|
| <p><b>Issuer's Description and Information on Incorporation</b></p> | <p>Development Works Food Company is a Saudi Joint-Stock Company. Here is the Company's description, incorporation and capital developments:</p> <p>Development Works Food Company ("Company" or "Issuer") is firstly incorporated as a limited liability company under the name of "Qoot for Food and Restaurant Developments" under a memorandum of association dated 25.06.1431H (corresponding to 08/06/2010G), and registered under CR No. (1010290779), dated 16/07/1431H (corresponding to 28/06/2010G), issued in the City of Riyadh.</p> <p>On 03/01/1435H (corresponding to 06/11/2013G), the Company's name was changed from "Qoot for developing food and restaurants" to "Development Works Food Company".</p> <p>On 25/01/1438H (corresponding to 26/10/2016G), the Company's legal status was changed from a limited liability company to a closed joint-stock company under Ministerial Resolution No. (S/19).</p> <p>On 29/05/1438H (corresponding to 26/02/2017G), the Company's whole shares were listed in Nomu-Parallel Market and the Company was transformed into a Saudi Joint-Stock Company.</p> <p>On 18/04/1443H (corresponding to 23/11/2021G), the Company was transferred, listed and its whole shares were traded in the main Saudi Stock Exchange. (For more information about the Company's history, please see subsection <b>(3.3)</b> "Company's History and Most Significant Developments in its Capital" of this Prospectus).</p> <p>The headquarters of the Company is located in the City of Riyadh, Alyarmouk District, Damam Highway, Postal Code 13243, P.O. Box: 7830, KSA.</p> <p>As on the date of this Prospectus, the Company's current capital is thirty million (30,000,000) Saudi riyals, divided into three million (3,000,000) ordinary shares, the value of each is ten (10) Saudi riyals and they are fully paid.</p> |
| <p><b>Issuer's activities</b></p>                                   | <p>The Company practices its business under CR No. (1010290779), dated 16/07/1431H (corresponding to 28/06/2010G).</p> <ul style="list-style-type: none"> <li>▪ According to the commercial register, the Company's business includes the following:             <ol style="list-style-type: none"> <li>1. Restaurants with catering services.</li> <li>2. Beverage shops (coffee shops).</li> <li>3. Provision of fresh juices and cold drinks.</li> </ol> </li> <li>▪ The Company's activities set in the Articles of Association include practicing the and attaining the following objectives:</li> </ul>   |



## Development Works Food Company

|   |  |
|---|--|
|   | <ol style="list-style-type: none"> <li>1. Cultivation and fishing.</li> <li>2. Mines, petrol and their products.</li> <li>3. Manufacturing and its products according to industrial licenses.</li> <li>4. Electricity, gas, water and their products.</li> <li>5. Construction and building.</li> <li>6. Transportation, storage and cooling.</li> <li>7. Money, business and other services.</li> <li>8. Social, group and personal services.</li> <li>9. Trade.</li> <li>10. Information Technology.</li> <li>11. Security and safety.</li> <li>12. Restaurant and coffee establishment and operation.</li> </ol> <p>The Company practices its business according to the applicable laws and after obtaining the licenses required from the competent authorities, if any. The Company's actual business is represented in the production of fresh juices through its brand "Juice Time" plus the provision of fast foods through restaurant chain under the brand "Quiznos Sub", for which the Company has the franchise.</p> |
| <p><b>Substantial shareholders in the issuer and number of shares and the percentage of ownership before the offering</b></p> | <p>There are no substantial shareholders in the company(who own 5% or more of the Company's shares)as on the date of this Prospectus</p>   |
| <p><b>Nature of offering</b></p>  | <p>Increasing the Company's capital by issuing Rights Issue.</p>   |
| <p><b>Purpose of issuing proposed Rights Issue</b></p>  | <p>Development Works Food Company aims by the capital increase through offering its rights issue to diverse and expand the Company's business, automate production lines, optimize the publication of its brand to cover all KSA regions, achieve the Company's future goals according to its aspirations. (please refer to Section (7) "Use of Proceeds from Offering and Future Projects" of this Prospectus).</p>   |
| <p><b>Total expected proceeds with independent analysis of the proposed usage</b></p>   | <p>It is expected that the total proceeds generated by the subscription to the Rights Issue will be two hundred sixteen million (216,000,000) Saudi Riyals. After deducting all Offering costs, the net proceeds generated by the subscription will be used mainly to diverse and expand the Company's business, automate production lines, optimize the publication of its brand to cover all KSA regions, achieve the Company's future goals according to its aspirations. The following table explains the proposed usage of the subscription proceeds:</p>   |



|   | Sr.  | Usage   | Value<br>(Saudi riyals) | Percentage<br>of Total<br>% |
|---|--|---|-------------------------|-----------------------------|
|   | 1  | Change of identity to "Juice Time" brand            | 8,000,000               | 3.70%                       |
|   | 2  | Purchase of location for the Company's headquarters | 10,000,000              | 4.63%                       |
|   | 3  | Expansion in branches                               | 10,000,000              | 4.63%                       |
|   | 4  | Construction of juice plant                         | 15,000,000              | 6.94%                       |
|   | 5  | Investment in companies (same business)             | 42,480,000              | 20.13%                      |
|   | 6  | Investment in companies (new business)              | 111,520,000             | 51.63%                      |
|   | 7  | Offering Costs                                      | 19,000,000              | 8.33%                       |
|   | <b>Total</b>   |   | <b>216,000,000</b>      | <b>100.00%</b>              |
| <b>Offering Costs</b>   | Source: Company<br>(To review the analysis and description of usages set in the said table, please refer to Section (7) "Use of Proceeds from Offering and Future Projects" of this Prospectus).<br>It is expected that the costs of the Offering will approximately be nineteen million(19,000,000) Saudi Riyals. Such amounts include the fees of: Financial Advisor, Lead Manager, Underwriter, Legal Advisor, Auditor, Marketing, Printing, Distribution and other expenses related to the subscription. (please refer to Section (7) "Use of Proceeds from Offering and Future Projects" of this Prospectus). |   |                         |                             |
| <b>Net Proceeds of the Offering</b>                               | It is expected that the net proceeds of the Offering shall be approximately One hundred and ninety seven million (197,000,000) Saudi riyals. (please refer to Section (7) "Use of Proceeds from Offering and Future Projects" of this Prospectus).   |   |                         |                             |
| <b>Company's Capital Prior to the Offering</b>                    | Thirty million (30,000,000) Saudi riyals.  |   |                         |                             |
| <b>Company's Capital Post the Offering</b>                        | Two hundred forty-six million (246,000,000) Saudi riyals.  |   |                         |                             |
| <b>Total Number of Shares of the Issuer Prior to the Offering</b> | Three million (3,000,000) ordinary shares.   |   |                         |                             |
| <b>Total number of shares of the issuer post the Offering</b>     | Twenty-four million six hundred thousand (24,600,000) ordinary shares.   |   |                         |                             |



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| Nominal value per share                          | Ten (10) Saudi Riyals per share.   |
| Total number of offered shares                   | Twenty-one million six hundred thousand (21,600,000) ordinary shares.  |
| Percentage of shares offered from issued capital | 720% of Company's issued capital prior to the Offering.  |
| Offering price                                   | Ten (10) Saudi Riyals per share.   |
| Total offering value                             | Two hundred sixteen million (216,000,000) Saudi riyals.  |
| Number of underwritten shares                    | Twenty-one million six hundred thousand (21,600,000) ordinary shares.  |
| Total value of the underwriting offer            | Two hundred sixteen million (216,000,000) Saudi riyals.  |
| Categories of targeted investors                 | Registered Shareholders and New Investors.   |
| Registered Shareholders                          | Shareholders own shares at the end of trading on the day on which the Extraordinary General Assembly on capital increase is held, and who are registered in the Company's shareholders register at the Depository Center by the end of the second trading day following the day on which the Extraordinary General Assembly is held, on xx/xx/xxxxH (corresponding to xx/xx/xxxxG).  |
| New Investors                                    | General Individual and institutional investors - with the exception of the Registered Shareholders - who have purchased the Rights Issue during the trading period.  |
| Rights   | Are tradable securities giving their holders the priority to subscribe to the new shares offered, upon approval of the capital increase. These securities shall be considered an acquired right by all registered shareholders. Rights may be traded in trading period. Each Right grants its holder the right to subscribe to one New Share at the Offer Price. Rights will be deposited in the registered investors' portfolios after the Extraordinary General Assembly for Capital Increase. The Rights will appear in the portfolios of the Registered Shareholders under a new symbol specifying the Rights Issue. |
| Number of Rights Issued                          | Twenty-one million six hundred thousand (21,600,000) rights.   |



|   |   |
|---|---|
| <p><b>Subscription Eligibility Factor</b></p> | <p>Each registered shareholder shall be entitled to (7.20) rights per each (1) existing share; this Factor is the result of a fraction whose numerator is the number of new shares and whose denominator is the number of existing shares of the Company.</p>   |
| <p><b>Eligibility Date</b></p>                | <p>Shareholders own shares at the end of trading on the day on which the Extraordinary General Assembly on capital increase is held, and who are registered in the Company's shareholders register at the end of the second trading day following the day on which the Extraordinary General Assembly on capital increase is held, on xx/xx/xxxxH (corresponding to xx/xx/xxxxG).</p> |
| <p><b>Trading Period</b></p>                  | <p>The trading period starts from xx/xx/xxxxH (corresponding to xx/xx/xxxxG) and continues until xx/xx/xxxxH (corresponding to xx/xx/xxxxG). During this Period, all Rights holders, whether Registered Investors or New Investors, may subscribe to and trade in the Rights.</p>   |
| <p><b>Offering Period</b></p>                 | <p>The Offering Period will start on xx/xx/xxxxH (corresponding to xx/xx/xxxxG), and it will continue until the end of day on xx/xx/xxxxH (corresponding to xx/xx/xxxxG). During this Period, all Rights holders, whether Registered Investors or New Investors, may exercise their rights in subscribing to the New Shares.</p>  |
| <p><b>How to apply</b></p>                    | <p>The Subscription Application Forms shall be submitted online via brokers' websites and platforms, which provide such service for subscribers or by any other means provided by brokers.</p>  |





|   |   |
|---|---|
| <p><b>Exercise of the Rights Issue</b></p>  | <p>Eligible persons subscribing for the New Rights Issue through electronic subscription via financial brokers websites and platforms that provide such services or by any other means provided by the brokers. Eligible persons may exercise their Rights as follows:</p> <ol style="list-style-type: none"> <li>1) During the Subscription Period, Registered Shareholders may exercise the Rights granted to them and any additional Rights purchased thereby during the Trading Period. They will also be entitled to take no action in respect of the Rights they hold.</li> <li>2) During the Subscription Period, New Investors may exercise the Rights purchased thereby during the Trading Period. They will also be entitled to take no action in respect of the Rights they hold.</li> </ol> <p>If the rights to subscribe to the new shares during the Subscription Period have not been exercised by Registered Shareholders or New Investors during the Subscription Period, the Rump Shares resulting from these Rights will be offered in the Rump Offering Period.</p> |
| <p><b>Indicative Value of the Right</b></p> | <p>The indicative value of a Right reflects the difference between the market value of the Company's share during the Trading Period and the Offer Price. "Tadawul" will continuously calculate and publish the indicative value of a Right during the Trading Period on its website with a 5-minute delay. The market information providers will also publish this information, which will allow investors to be informed of the indicative value of a Right when entering orders.</p>   |
| <p><b>Right Trading Price</b></p>           | <p>The price at which the Right is traded, noting that such price is set through the Tadawul offer and demand mechanism. Hence, it may be different from the indicative value of the Right.</p>   |
| <p><b>Rump Offering</b></p>                 | <p>If any shares remain unsubscribed after the end of the Subscription Period (Rump Shares), they will be offered to a number of institutional investors (Institutional Investors). Such Institutional Investors shall submit their offers for purchasing the Rump Shares and the receipt of those offers shall commence at 10:00 AM on xx/xx/xxxxH (corresponding to xx/xx/xxxxG) and continue until 5:00 PM on xx/xx/xxxxH (corresponding to xx/xx/xxxxG) ("Rump Offering Period"). The Rump Shares shall be allocated to Institutional Investors in order of the offered price starting with the highest offer up to the lowest offer (provided that the price shall not be less than the Offer Price). The Rump Shares shall be allocated on a pro rata basis among Institutional Investors that provided offers at the same price. Fractional shares shall be added to the rump shares and treated in the same way.</p>  |



|   |  |
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| <b>Method of Allocation and Refund</b>          | <p>Shares will be allocated to each eligible person based on the number of Rights properly and fully exercised. As for those entitled to fractional shares, they will be collected and offered to Institutional Investors during the Rump Offering Period. The Rump Shares, which are offered to Institutional Investors, shall be allocated based on the price provided by them (starting with the highest offer up to the lowest offer, provided the price shall not be less than the Offer Price). The Rump Shares shall be allocated on a pro rata basis among Institutional Investors that provided offers at the same price. The Total Offer Price of the rump shares shall be paid to the Company, and all remaining proceeds (if any), without calculating any fees or deductions (in excess of the Offer Price) to their Eligible persons who have not, wholly or partially, subscribed to the new shares and the Eligible persons of the fractional shares, bearing in mind that the investors who has not subscribed or sold any of its rights, and the holder of the fractional shares, may not receive any consideration if the sale is made during the Rump Offering Period, at the Offer Price. (Please refer to Section (13) "Information related to Shares and Offering Provisions and Conditions" of this Prospectus).</p> <p>Excess subscription monies (if any) will be refunded to the Subscribers without any charge or withholding by the Lead Manager.</p> |
| <b>Allocation Date</b>                          | <p>The date when final allocation will be announced no later than xx/xx/xxxxH (corresponding to xx/xx/xxxxG).</p>  |
| <b>Date of Refunding of Extra Subscriptions</b> | <p>Extra subscriptions (if any) shall be refunded without any commissions or deductions from the Lead Manager on no more than xx/xx/xxxxH (corresponding to xx/xx/xxxxG).</p>  |
| <b>Payment of Compensation Amounts (if any)</b> | <p>Cash compensation amounts will be paid to Eligible persons who did not subscribe, wholly or partially, for new shares, as well as to the holders of fractional shares no later than xx/xx/xxxxH (corresponding to xx/xx/xxxxG). The compensation amounts represent the remaining proceeds from sale of Rump Shares and fractional shares.</p>   |
| <b>Adjusted price</b>                           | <p>The Company's share price was modified in the financial market to (xx) in Saudi riyals per share. This represents decrease in the share price by (xx) Saudi riyals per one share. (For more information, please see section (14) "Change in Share Price due to Capital Increase" of this Prospectus).</p>   |
| <b>New Shares Trading</b>                       | <p>Trading in Rights is expected to commence on "Tadawul" after the completion of all regulatory procedures of share registration, allocation and listing.</p>   |
| <b>Listing and trading of the Rights</b>        | <p>Rights shall be listed in Tadawul during the Trading Period. A separate symbol will be given to the Company's Rights, independent from the symbol of the Company's Shares on the Tadawul screen. During the Trading Period, the Registered Shareholders shall have several options including selling the Rights, or a part thereof, on Market, purchasing additional Rights through Market or refraining</p>  |





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|  | <p>from taking any action in respect of the Rights whether by selling or purchasing additional Rights. During the Trading Period, New Investors will be entitled to purchase Rights through SSE, sell them or a part thereof or take no action in respect of the Rights purchased. The "Tadawul" system will cancel the Company's Rights Issue symbol on the Tadawul screen following the end of the Trading Period. Accordingly, Rights trading will end with the end of the Trading Period.</p>  |
| <p><b>Eligibility of dividends</b></p>                                   | <p>The holders of the new shares will be entitled to any dividends that the Company declares to be distributed after the date of its issuance.</p>   |
| <p><b>Voting Rights</b></p>  | <p>The Company has one class of shares. No Shareholder shall have any preferential rights. The new shares will be fully paid and will be exactly equal to outstanding shares. Each Share entitles its holder to one vote and each shareholder has the right to attend and vote at the Shareholders' (Ordinary or Extraordinary) General Assembly meetings. A shareholder may authorize another shareholder from non-Board of Directors Members to attend the General Assembly's meetings on his behalf.</p>  |
| <p><b>Restrictions on trading shares</b></p>                             | <p>There are no restrictions on trading Company shares, except for the regulatory restrictions on generally-listed shares, including the ownership restrictions imposed on foreign investors.</p>  |
| <p><b>Restrictions Imposed on New Shares Due to Capital Increase</b></p> | <p>There are no restrictions imposed on shareholders in general and founding shareholders after the subscription resulting from capital increase.</p>  |
| <p><b>Previously Listed Shares</b></p>                                   | <p>The Company's whole shares were listed in Nomu-Parallel Market amounting one million two hundred fifty thousand (1,250,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share on 29/05/1438H (corresponding to 26/02/2017G) after obtaining the approval of the Capital Market Authority (CMA) and Saudi Stock Exchange (Tadawul).</p> <p>On 10/01/1441H (corresponding to 09/09/2019G), the Company increased its capital by (100%) from twelve million five hundred thousand (12,500,000) Saudi riyals to twenty-five million (25,000,000) Saudi riyals. The amount of increase in capital was paid through capitalization of twelve million five hundred (12,500,000) Saudi riyals from the retained profits account. One million two hundred fifty thousand (1,250,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share were issued as bonus shares at one bonus shares per each issued share.</p> <p>On 09/02/1443H (corresponding to 16/09/2021G), the Company increased its capital by (20%) from twenty-five million (25,000,000) Saudi riyals to thirty million (30,000,000) Saudi riyals. The amount of increase in capital was paid through capitalization of one million nine hundred twenty-three thousand eight hundred seventy-two (1,923,872) Saudi riyals from the statutory reserve account as well as capitalization of three million seventy-six thousand one hundred twenty-eight (3,076,128) Saudi riyals from the retained profits account. five hundred thousand(500,000) ordinary shares with a nominal value of ten (10) Saudi Riyals</p> |





|  |   |
|--|---|
|  | <p>per share were issued as bonus shares at one bonus shares per each five issued shares.</p> <p>On 18/04/1443H (corresponding to 23/11/2021G), the Company was transferred, listed and its whole shares were traded in the main Saudi Stock Exchange at three million (3,000,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share after obtaining the approval of the Capital Market Authority (CMA) and Saudi Stock Exchange (Tadawul).</p>   |
| <b>Terms of subscription for the Rights Issue</b>                            | <p>Eligible persons desire to subscribe to the new shares must fulfill the relevant subscription conditions. To read the terms, conditions and instructions for the subscription, please refer to Section (13) "Information related to Shares and Offering Terms and Conditions" of this Prospectus.</p>  |
| <b>The public</b>  | <p>Means in the Rules on the Offer of Securities and Continuing Obligations the unmentioned persons below:</p> <ol style="list-style-type: none"> <li>1) Employees of issuer;</li> <li>2) Substantial shareholders in the issuer;</li> <li>3) Directors and Senior Executives of the issuer;</li> <li>4) Directors and Senior Executives of the issuer's employees;</li> <li>5) Directors and Senior Executives of the issuer's substantial shareholders;</li> <li>6) any relatives to the persons referred to in Clauses (1, 2, 3, 4 or 5) above;</li> <li>7) any company controlled by any person referred to in Clauses (1, 2, 3, 4, 5 or 6) above;</li> <li>8) Persons acting in concert together and jointly owning (% 5) or more of the category of shares to be listed.</li> </ol> |
| <b>New Shares Trading</b>  | <p>Twenty-one million six hundred thousand (21,600,000) ordinary shares, which shall be issued to increase Company's capital.</p>   |
| <b>Risk Factors</b>  | <p>There are certain risks associated with investing in this Offering, which can be generally categorized into: 1) risks related to the Company; (2) risks related to the market and sector; and (3) risks related to the Shares. These risks have been discussed in Section (2) "Risk Factors" of this Prospectus, which must be carefully reviewed before making any investment decision on Rights Issue.</p>   |
| <b>Material changes to the information disclosed in the last Prospectus.</b> | <p>CMA's approval was obtained for the publication of the Company's last Prospectus on 13/04/1438H (corresponding to 11/01/2017G). Here is a summary of the most significant information that changed after CMA's approval:</p> <ul style="list-style-type: none"> <li>• Transfer from Nomu-Parallel Market to the main Saudi Stock Exchange.</li> <li>• Update the Articles of Association in conformity with the modifications to the capital.</li> <li>• Increase the Company's capital through bonus shares.</li> <li>• Modifications to the Board of Directors and higher management.</li> </ul>   |

**Note:** The Section "Important Notice" of Page (a) as well as Section 2 "Risk Factors" of this Prospectus should be read carefully prior to making a decision to invest in the Rights Issue.



## Important dates and subscription procedures

| Event  | Date   |
|--|--|
| Conclusion of the Extraordinary General Assembly on the capital increase and determination of the entitlement date and eligible shareholders. To be noted that eligible shareholders are those owning the shares by the end of trading on the day, on which the Extraordinary General Assembly on capital increase is held, and who are registered in the Company's shareholders register at the Depository Center by the end of the second trading day following the day on which the Extraordinary General Assembly is held. | xx/xx/xxxxH (corresponding to xx/xx/xxxxG)   |
| Trading Period   | The trading period starts from xx/xx/xxxxH (corresponding to xx/xx/xxxxG) and continues until xx/xx/xxxxH (corresponding to xx/xx/xxxxG). During this Period, all Rights holders, whether Registered Investors or New Investors, may subscribe to and trade in the Rights.   |
| Offering Period  | The subscription period starts from xx/xx/xxxxH (corresponding to xx/xx/xxxxG) until xx/xx/xxxxH (corresponding to xx/xx/xxxxG). During this Period, all Rights holders, whether Registered Investors or New Investors, may exercise their right to subscribe in new shares. |
| Expiry of Subscription period  | The subscription period shall end and the receipt of subscription applications shall cease on xx/xx/xxxxH (corresponding to xx/xx/xxxxG).  |
| Rump Offering Period   | The Rump Offering Period starts at 10:00 AM on xx/xx/xxxxH (corresponding to xx/xx/xxxxG) and continues until 05:00 PM on xx/xx/xxxxH (corresponding to xx/xx/xxxxG).  |
| Notice of Final Allocation   | xx/xx/xxxxH (corresponding to xx/xx/xxxxG)   |
| The compensation amounts (if any) shall be paid to the eligible persons who have not participated, in whole or in part, and the beneficiaries of the fractional shares.  | xx/xx/xxxxH (corresponding to xx/xx/xxxxG)   |
| Expected date to start trading in the new shares   | After completing all the necessary procedures, the start date of trading in the new shares will be announced on the Tadawul website.   |

**Note:** All dates mentioned in the above table are approximate. The actual dates will be announced on the website of Tadawul ([www.saudiexchange.sa](http://www.saudiexchange.sa))



## Important Announcement Dates

| Announcement  | Announcer         | Date of Announcement                                |
|---|-------------------|---|
| Announcement regarding the Extraordinary General Assembly meeting on capital increase   | Company           | On xx xx/xx/xxxxH<br>(Corresponding to xx/xx/xxxxG) |
| Announcement regarding the results of the Extraordinary General Assembly results on capital increase  | Company           | On xx xx/xx/xxxxH<br>(Corresponding to xx/xx/xxxxG) |
| Announcement of the addition of priority rights to the Company  | Depository Center | On xx xx/xx/xxxxH<br>(Corresponding to xx/xx/xxxxG) |
| Announcement of the amendment to the Company's share price, the deposit of rights, and the indicative value of the right  | Tadawul           | On xx xx/xx/xxxxH<br>(Corresponding to xx/xx/xxxxG) |
| Announcement of the determination of the rights trading period and the subscription period of new shares  | Company           | On xx xx/xx/xxxxH<br>(Corresponding to xx/xx/xxxxG) |
| Announcement on the start of the Subscription Period and Trading Period   | Tadawul           | On xx xx/xx/xxxxH<br>(Corresponding to xx/xx/xxxxG) |
| Reminder announcement regarding the commencement of Trading Period and Subscription Period  | Company           | On xx xx/xx/xxxxH<br>(Corresponding to xx/xx/xxxxG) |
| Reminder announcement regarding the last day of Trading Period and Subscription Period  | Company           | On xx xx/xx/xxxxH<br>(Corresponding to xx/xx/xxxxG) |
| Announcement: <ul style="list-style-type: none"> <li>Subscription results</li> <li>Details of the Sale of shares that have not yet been subscribed (if any) and the start date of the Rump offering period</li> </ul> | Company           | On xx xx/xx/xxxxH<br>(Corresponding to xx/xx/xxxxG) |
| Announce of the Rump Offering results and allocation of rights shares   | Company           | On xx xx/xx/xxxxH<br>(Corresponding to xx/xx/xxxxG) |
| Announcement of the deposit of new shares in the investors' portfolios  | Depository Center | On xx xx/xx/xxxxH<br>(Corresponding to xx/xx/xxxxG) |
| Announcement regarding the distribution of compensation amounts (if any) to Eligible Persons  | Company           | On xx xx/xx/xxxxH<br>(Corresponding to xx/xx/xxxxG) |

**Note:** All dates mentioned in the above table are approximate. The actual dates will be announced on the website of Tadawul ([www.saudiexchange.sa](http://www.saudiexchange.sa)) Furthermore, the date of depositing new shares shall in investors' portfolios shall be determined in coordination with Securities Depository Center Company (Edaa).





## How to apply?

Subscribing for the Rights Shares is limited to eligible persons, whether Registered Shareholders or New Investors. In the event that Eligible persons do not subscribe to the Rights, the Unsubscribed Shares shall be offered to Institutional Investors during the Rump Offering Period. Eligible persons wishing to subscribe to the new shares should submit the subscription application forms via the means and services provided by the broker to investors, provided the eligible person shall have one investor account at any broker providing such services.

Subscription Applications are submitted through portfolios in trading platforms and applications, through which sale and purchase orders are entered. In addition, it is possible to subscribe through any other means provided by the broker and the custodian of shares. The Company reserves the right to reject, in full or in part, any application for new shares that does not comply with any of the subscription terms or conditions. Upon submission, the Subscription Application Form may not be amended or withdrawn. Instead, it shall represent a legally binding contract between the Company and eligible Subscriber. (For more information, please refer to Section (13) "Information related to Shares and Offering Terms and Conditions" of this Prospectus).

## Q&A related to the Rights

### What is a Rights Issue?

A Rights Issue is an offering of tradable securities that give their holders the right to subscribe for New Shares upon approval of capital increase. They are acquired rights for all Shareholders who own shares at the date of the Extraordinary General Assembly meeting for capital increase, and who are registered in the Company's Shareholders Register held with the Depository Center at the close of the second trading day following the date of the Extraordinary General Assembly meeting. Each Right grants its holder the right to subscribe for one New Share at the Offer Price.

### Who is granted the Rights?

The Rights shall be granted to Shareholders registered in the Company's Register as of the close of the second trading day of the Extraordinary General Assembly meeting on capital increase.

### When are the Rights deposited?

Following the Extraordinary General Assembly meeting approving capital increase through a Rights Issue, the Rights shall be deposited as securities in the portfolios of shareholders recorded in the Company's Shareholders Register held with the Depository Center at the close of the second trading day following the date of the Extraordinary General Assembly meeting. The Shares will appear in the portfolios of the shareholders under a new symbol that designates these Rights. These Rights cannot be traded or exercised by the Registered Shareholders until the beginning of the Trading Period and Offering Period.

### How are Registered Shareholders notified of the Rights being deposited in their portfolios?





## Development Works Food Company

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The Registered Shareholders are notified through an announcement on the Tadawul website as well as by the (Tadawulaty) service provided by the Securities Depository Center Company and SMS messages sent through brokerage companies.

### **How many Rights can be acquired by a Registered Shareholder?**

The number of Rights to be acquired by a Registered Shareholder is subject to the number of Shares ratio held by the Registered Shareholder in the Company's Shareholders Register at the Depository as at the close of the second trading day after the Extraordinary General Assembly meeting.

### **What is the Rights Issue eligibility factor?**

It is the means by which the Registered Shareholder can determine the Rights it is entitled to in relation to its shareholding under the Company's Shareholders Register held with the Depository Center at the close of the second trading day following the date of the Extraordinary General Assembly meeting. Hence, the eligibility factor is (7.20) Rights per (1) share owned by the Registered Shareholder on the eligibility date. Accordingly, if a Registered Shareholder owns one thousand (1,000) shares on the eligibility date, seven thousand two hundred (7,200) Rights will be allocated for him against the shares owned by him.

### **Will the name and symbol of trading these rights differ from the name and symbol of the Company's shares?**

Yes, as the acquired right will be added to the investors' portfolios under the name of the original share, and by adding the word Rights, in addition to a new symbol for these rights.

### **What is the value of the Right upon commencement of trading?**

The opening price of the Right is the difference between the closing price of the share on the day preceding the Rights listing and the Offer Price (the indicative value of the Right). For example, if the closing price of a share on the preceding day is fifteen (15) Saudi Riyals and the Offer Price is ten (10) Saudi Riyals, the opening price of the Rights will be five (5) Saudi Riyals.

### **Who is the Registered Shareholder?**

A shareholder who appears in the Company's shareholder register at the end of the second trading day after the Extraordinary General Assembly meeting.

### **Can Registered Shareholders subscribe to additional shares?**

Yes. Registered Shareholders can subscribe to additional shares by purchasing new Rights through Tadawul during the Trading Period.

### **Is it possible for a registered shareholder to lose his/her eligibility to subscribe even if he has the right to attend the Extraordinary General Assembly and vote on raising the capital through Rights issue?**





## Development Works Food Company

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Yes, the Shareholder loses his eligibility to subscribe if he sells his shares on the day of the Extraordinary General Meeting or one working day before it.

### How does the Subscription take place?

Subscription Applications are submitted through portfolios in trading platforms and applications, through which sale and purchase orders are entered. In addition, it is possible to subscribe through any other means provided by the broker and the custodian of shares.

### Can an Eligible Person subscribe to more shares than the Rights owned by him/her?

An Eligible Person cannot subscribe to more shares than the Rights owned by him/her.

### If the Company shares are acquired through more than one investment portfolio, in which portfolio will the Rights be deposited?

The rights will be deposited in the same portfolio in which the shares of the Company connected to the rights are deposited. For example, if a shareholder holds one thousand (1000) shares in the Company as follows: eight hundred (800) shares in portfolio (a) and two hundred (200) shares in portfolio (b), then the total Rights to be deposited shall be seven thousand two hundred (7,200) Rights, as each share has (7.20) Rights. Therefore, (5,760) Rights will be deposited in portfolio (a) and (1,440) Rights will be deposited in portfolio (b).

### Are share certificate holders allowed to subscribe and trade?

Yes, they are allowed to subscribe, but they cannot trade until after depositing the certificates in investment portfolios through the receiving agents or Depository Center Company ("Edaa") and introducing the necessary documents.

### Are additional Rights purchasers entitled to trade them once again?

Yes, purchasers of additional Rights may sell them and purchase other Rights only during the Trading Period.

### Is it possible to sell a part of these Rights?

Yes, the investor may sell a part of these Rights and subscribe to the remaining part.

### When can a Shareholder subscribe to the Rights it purchased during the Trading Period?

During the Subscription Period after settlement of the purchase of Rights (two business days).

### Can the Eligible Person sell the Right after expiry of the Trading Period?

No. After the expiry of the Trading Period, the Eligible Person may only exercise the right to subscribe to the Rights Shares. In case the Right is not exercised, the investor may be subject to loss or decrease in the value of his investment portfolio or profit in case of selling the shares during the Rump Offering Period in a higher price than the offering price.





## Development Works Food Company

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### **What happens to the Rights that are unsold or unsubscribed for during the Subscription Period?**

If the New Shares are not fully subscribed for during the Subscription Period, the remaining New Shares will be offered for subscription through an offering to be organized by the Lead Manager. The amount of compensation (if any) to the Rights holder will be calculated after deducting the subscription value. The investor may not receive any consideration if the sale occurs during the Rump Offering Period at the Offer Price.

### **Who has the right to attend the Extraordinary General Assembly and vote on increasing the Issuer's share capital through a Rights Issue?**

A shareholder registered in the Company's Shareholders Register at the Depository Center after the end of the trading session, on the date of the Extraordinary General Assembly, shall have the right to attend the Extraordinary General Assembly and vote on increasing the Issuer's share capital through a Rights Issue.

### **When is the share price adjusted as a result of increasing the Issuer's share capital through a Rights Issue?**

The share price is adjusted by the Market before the start of trading on the day, following the Extraordinary General Assembly.

### **If an investor buys securities on the date of the Extraordinary General Assembly, will he/she be eligible for the Rights resulting from the increase of the Issuer's share capital?**

Yes, as the investor will be registered in the Company Shareholders Register two business days after the date of the purchase of shares (i.e., at the end of the second trading day following the day of the Extraordinary General Assembly), bearing in mind that Rights will be granted to all shareholders registered in the Company Shareholders Register at the end of trading session on the second trading day following the date of the Extraordinary General Assembly. However, he may not attend or vote in the Extraordinary General Assembly for the capital increase.







**If an investor has more than one portfolio with more than one broker, how will their Rights be calculated?**

The investor's shares will be distributed to their portfolios according to the percentage of shareholding in each portfolio. In the event of share fractions, these fractions will be aggregated. If the outcome is an integer or more, the integer number will be added to the portfolio in which the investor has the largest number of Rights.

**What are the Trading and Offering Periods?**

Trading in and subscription for the Rights shall commence at the same time until the end of trading on the sixth day. However, subscription shall continue until the ninth day, as stated in the Prospectus and the Company's issued announcements.

**Is it possible to subscribe during the weekend?**

No.

**Can investors, who are not Registered Shareholders, subscribe to the Rights Shares?**

Yes, but after full purchase of Rights during the Trading Period.

**Additional assistance:**

In case of any inquiries, please contact the Company at the e-mail (info@dwf.com.sa). For legal reasons, the Company will only be able to provide the information contained herein and will not be able to advise on the merits of issuing rights or even provide financial, tax, legal or investment advice.

For more information on the terms, conditions and instructions for the subscription, please refer to Section (13) "Information related to Shares and Offering Terms and Conditions" and other information contained herein.





## Key Information Summary

### Notice for Investors

This summary provides a brief overview of the background contained in this Prospectus. Since it is a summary, it does not include all information that may be interested to shareholders and other general institutional and individual investors. Whoever receives this Prospectus must read it in full, particularly the “Important Notice” section in Page (a), and Section 2 “Risk Factors” of this Prospectus, prior to making any investment decision with regard to Rights or new shares. All summary definitions and terms in this Prospectus were interpreted in Section (1) “Definitions and Terms” of this Prospectus.

### Overview of the Company

Development Works Food Company (“Company” or “Issuer”) is firstly incorporated as a limited liability company under the name of “Qoot for Food and Restaurant Developments” under a memorandum of association dated 25/06/1431H (corresponding to 08/06/2010G), and registered under CR No. (1010290779), dated 16/07/1431H (corresponding to 28/06/2010G), issued in the City of Riyadh. On 03/01/1435H (corresponding to 06/11/2013G), the Company’s name was changed from “Qoot for developing food and restaurants” to “Development Works Food Company”. On 25/01/1438H (corresponding to 26/10/2016G), the Company’s legal status was changed from a limited liability company to a closed joint-stock company under Ministerial Resolution No. (S/19). On 29/05/1438H (corresponding to 26/02/2017G), the Company’s whole shares were listed in Nomu-Parallel Market and the Company was transformed into a Saudi Joint-Stock Company. On 18/04/1443H (corresponding to 23/11/2021G), the Company was transferred, listed and its whole shares were traded in the main Saudi Stock Exchange.

The headquarters of the Company is located in the City of Riyadh, Alyarmouk District, Damam Highway, Postal Code 13243, P.O. Box: 7830, KSA.

As on the date of this Prospectus, the Company’s current capital is thirty million (30,000,000) Saudi riyals, divided into three million (3,000,000) ordinary shares, the value of each is ten (10) Saudi riyals and they are fully paid.

### Substantial Shareholders in the Company;

There are no substantial shareholders in the company (who own 5% or more of the Company’s shares) as on the date of this Prospectus.





## Development Works Food Company

### Company's history and most significant developments in its capital structure

- Development Works Food Company (the "Company") was initially incorporated as a limited liability company under the name of "Qoot for developing food and restaurants" under the Memorandum of Association dated 25/06/1431H (corresponding to 08/06/2010G), which is proven by the Notary Public under Gazette No. (56), Vol. (286), Issue (1984) for 1431H, dated 01/07/1431H (corresponding to 13/06/2010G). It was registered in Commercial Register No. (1010290779), dated 16/07/1431H (corresponding to 28/06/2010G) issued in the City of Riyadh, with a capital of one hundred thousand (100,000) Saudi Riyals; divided into (100) one hundred equal cash shares, the value of each is (1,000) one thousand Saudi Riyals.
- On 11/11/1434 H (corresponding to 17/09/2013G), the shareholders decided to change the name of the Company from "Qoot for developing food and restaurants" to "Development Works Food Company", which is proven by the Notary Public on 03/01/1435 H (corresponding to 06/11/2013G).
- On 24/01/1438H corresponding to (25/10/2016G), the partners decided to transform the Company's legal status from a limited liability company to a closed joint-stock company, and to increase its capital from one hundred thousand (100,000) Saudi riyals to twelve million five hundred thousand (12,500,000) Saudi riyals; divided into one million two hundred fifty thousand (1,250,000) ordinary shares with a nominal value of (10) ten Saudi riyals per share. The increase amount of twelve million four hundred thousand (12,400,000) Saudi riyals were paid by transferring the amount of eleven million (11,000,000) Saudi riyals from the retained profits account and transferring one million four hundred thousand (1,400,000) Saudi riyals from the shareholders' current account.
- On 25/01/1438H (corresponding to 26/10/2016G), Ministerial Decision No. (S/19) was issued approving the license to transform the Company from a limited liability company to a closed joint-stock company, and the Company was registered in the Joint Stock Companies Register in Riyadh with the same name, number and date of the Company's commercial register before the transformation.
- On 28/02/1438H (corresponding to 28/11/2016G), the Board of Directors of the Company decided to offer two hundred fifty thousand (250,000) shares representing (20%) of the Company's shares, and to register and list on Nomu-Parallel Market, after obtaining the approval of both the Capital Market Authority (CMA) and the Saudi Capital Market (Tadawul).
- On 29/05/1438H (corresponding to 26/02/2017G), the Company's whole shares were listed in Nomu-Parallel Market amounting one million two hundred fifty thousand (1,250,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share, and the Company was transformed into a Saudi Joint-Stock Company after obtaining the approval of the Capital Market Authority (CMA) and Saudi Stock Exchange (Tadawul).
- On 10/01/1441H (corresponding to 09/09/2019G), the Extraordinary General Assembly agreed to increase the Company's capital by (100%) from twelve million five hundred thousand (12,500,000) Saudi riyals to twenty-five million (25,000,000) Saudi riyals. The amount of increase in capital was paid through capitalization of twelve million five hundred (12,500,000) Saudi riyals from the



retained profits account. One million two hundred fifty thousand (1,250,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share were issued as bonus shares at one bonus shares per each issued share.

- On 09/02/1443H (corresponding to 16/09/2021G), the Extraordinary General Assembly agreed to increase the Company's capital by (20%) from twenty-five million (25,000,000) Saudi riyals to thirty million (30,000,000) Saudi riyals. The amount of increase in capital was paid through capitalization of one million nine hundred twenty-three thousand eight hundred seventy-two (1,923,872) Saudi riyals from the statutory reserve account as well as capitalization of three million seventy-six thousand one hundred twenty-eight (3,076,128) Saudi riyals from the retained profits account. five hundred thousand (500,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share were issued as bonus shares at one bonus shares per each five issued share.
- On 18/04/1443H (corresponding to 23/11/2021G), the Company was transferred, listed and its whole shares were traded in the main Saudi Stock Exchange at three million (3,000,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share after obtaining the approval of the Capital Market Authority (CMA) and Saudi Stock Exchange (Tadawul)
- On 05/05/1443H (corresponding to 09/12/2021G), the Company's Board of Directors recommended increasing the Company's capital at (720%), i.e., from thirty million (30,000,000) Saudi riyals to two hundred forty-six million (246,000,000) Saudi riyals; thus an increase in the shares from three million (3,000,000) ordinary shares to twenty-four million six hundred thousand (24,600,000) ordinary shares, by issuing Rights shares at twenty-one million six hundred thousand (21,600,000) new ordinary shares in the value of two hundred sixteen million (216,000,000) Saudi riyals after obtaining all required legal approvals as well as the Extraordinary General Assembly's approval.
- On xx/xx/xxxxH (corresponding to xx/xx/xxxxG), the Extraordinary General Assembly agreed to increase the Company's capital at (720%), i.e., from thirty million (30,000,000) Saudi riyals to two hundred forty-six million (246,000,000) Saudi riyals; thus an increase in the shares from three million (3,000,000) ordinary shares to twenty-four million six hundred thousand (24,600,000) ordinary shares, by issuing Rights shares at twenty-one million six hundred thousand (21,600,000) new ordinary shares in the value of two hundred sixteen million (216,000,000) Saudi riyals.



## Development Works Food Company

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### Summary of the Company's Key Activities

The Company practices its business under CR No. (1010290779), dated 16/07/1431H (corresponding to 28/06/2010G).

- According to the commercial register, the Company's business includes the following:
  1. Restaurants with catering services.
  2. Beverage shops (coffee shops).
  3. Provision of fresh juices and cold drinks.
- The Company's activities set in the Articles of Association include practicing the and attaining the following objectives:
  1. Cultivation and fishing.
  2. Mines, petrol and their products.
  3. Manufacturing and its products according to industrial licenses.
  4. Electricity, gas, water and their products.
  5. Construction and building.
  6. Transportation, storage and cooling.
  7. Money, business and other services.
  8. Social, group and personal services.
  9. Trade.
  10. Information Technology.
  11. Security and safety.
  12. Restaurant and coffee establishment and operation.

The Company practices its business according to the applicable laws and after obtaining the licenses required from the competent authorities, if any.

The Company's actual business is represented in the production of fresh juices through its brand "Juice Time" plus the provision of fast foods through restaurant chain under the brand "Quiznos Sub", for which the Company has the franchise. For more information about the Company's activities, please refer to subsection (3.4) "Company's Key Activities" of section (3) "Company Background and Nature of Business" of this Prospectus.



## Development Works Food Company

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### Vision of the Company

To be the leading company and the first choice for lovers of restaurants and fresh fast food.

### Message of the Company

Seek to achieve the Shareholders' aspirations, provide the best service to customers and launch new ideas and products being one of the first companies in providing fresh juices of high quality and value.

### Company Strategy

- Expand the Company's branches.
- Establish a plant for the packaging and production of fresh juices.
- Expand and engage in a number of activities that are in line with the Company's strategy and achieve rewarding returns.
- Work to promote the health of the community through the provision of healthy and natural products and the preservation of the environment.
- Work to achieve the highest quality standards.
- Maintain the quality of products to achieve customer satisfaction and meet their desires.

### Strengths and Competitive Advantages of the Company

- Be present and spread in all regions of the KSA.
- Offer fresh, varied and high-quality juices.
- Gain fame in the market through its brand "Juice Time".
- Focus on customer satisfaction by providing high quality products.
- Senior management and highly qualified and competent staff.



### Financial Information Summary

The summary of the financial information below is based on the Company's audited consolidated financial statements for the financial years ended December 31, 2020G (including the non-consolidated comparative figures for the financial year 2019G and adjusted in accordance with IFRS) and 2021G, and the notes attached thereto.

| Statement of Financial Position<br>(In Thousands Saudi riyals) | Financial year ended on December 31 |                    |                    |
|--|-------------------------------------|--------------------|--------------------|
|  | 2019G<br>(Audited)                  | 2020G<br>(Audited) | 2021G<br>(Audited) |
| Total tangible assets  | 26,842,701                          | 29,345,925         | 32,287,488         |
| Total intangible assets  | 105,673,310                         | 82,692,339         | 67,218,479         |
| <b>Total assets</b>  | <b>132,516,011</b>                  | <b>112,038,264</b> | <b>99,505,967</b>  |
| Total tangible liabilities                                     | 28,099,091                          | 29,103,995         | 35,090,304         |
| Total intangible Liabilities                                   | 65,496,351                          | 52,022,449         | 31,349,710         |
| <b>Total liabilities</b>                                       | <b>93,595,442</b>                   | <b>81,126,444</b>  | <b>66,440,014</b>  |
| Capital  | 12,500,000                          | 25,000,000         | 30,000,000         |
| Total equity   | 38,920,569                          | 30,911,820         | 33,065,953         |
| <b>Total liabilities and equity</b>                            | <b>132,516,011</b>                  | <b>112,038,264</b> | <b>99,505,967</b>  |

Source: Company's financial statements for the financial years ended on December 31, 2020G and 2021G.

| Statement of Income<br>(In Thousands Saudi riyals) | Financial year ended on December 31 |                    |                    |
|--|-------------------------------------|--------------------|--------------------|
|  | 2019G<br>(Audited)                  | 2020G<br>(Audited) | 2021G<br>(Audited) |
| <b>Sales, net</b>                                  | 96,270,908                          | 94,503,256         | 100,858,743        |
| Sales costs  | (76,820,669)                        | (91,882,566)       | (89,532,863)       |
| <b>Total profits</b>                               | <b>19,450,239</b>                   | <b>2,620,690</b>   | <b>11,325,880</b>  |
| Profit/(loss) from operation                       | 9,645,190                           | (5,350,949)        | (256,945)          |
| Other Revenues                                     | 3,057,619                           | 4,145,388          | 4,581,249          |
| Pretax profit / (loss) during the year             | 10,508,399                          | (2,725,022)        | 3,025,503          |
| <b>Profit / (loss) during the year</b>             | <b>8,629,759</b>                    | <b>(8,103,266)</b> | <b>2,677,348</b>   |

Source: Company's financial statements for the financial years ended on December 31, 2020G and 2021G.





| Statement of Cash Flows<br>(In Thousands Saudi riyals)  | Financial year ended on December 31 |                    |                    |
|---|-------------------------------------|--------------------|--------------------|
|   | 2019G<br>(Audited)                  | 2020G<br>(Audited) | 2021G<br>(Audited) |
| Net Cash Flows from Operating Activities                | 35,878,595                          | 16,735,536         | 16,935,709         |
| Net Cash Flows (used in) Operating Activities           | (86,596,890)                        | (902,780)          | (6,672,647)        |
| Net cash generated (used in) financing activities       | 49,511,597                          | (7,929,580)        | (13,219,575)       |
| Net change in cash and cash equivalents                 | (1,206,698)                         | 7,903,176          | (2,956,513)        |
| Cash and cash equivalents at the beginning of the year  | 3,302,725                           | 2,096,027          | 9,999,203          |
| <b>Cash and cash equivalents at the end of the year</b> | <b>2,096,027</b>                    | <b>9,999,203</b>   | <b>7,042,690</b>   |

Source: Company's financial statements for the financial years ended on December 31, 2020G and 2021G.

| KPIs  | Indicator's<br>Unit | Financial year ended on December 31 |           |           |
|---|---------------------|-------------------------------------|-----------|-----------|
|   |                     | 2019G                               | 2020G     | 2021G     |
| Sales growth rate, net*   | %                   | (11.40%)                            | (%1.84)   | 6.73%     |
| Profit /(loss) growth rate during the year**                      | %                   | 11.47%                              | (193.90%) | (133.04%) |
| Margin of total profit  | %                   | 20.20%                              | 2.77%     | 11.23%    |
| General and administrative expenses as percentage from sales, net | %                   | 10.18%                              | 8.44%     | 11.48%    |
| Margin profit/(loss) from operation                               | %                   | 10.02%                              | (5.66%)   | (0.25%)   |
| Margin profit/(loss) during the year                              | %                   | 8.96%                               | (8.57%)   | 2.65%     |
| Return on total assets  | %                   | 6.51%                               | (7.23%)   | 2.69%     |
| Return on total equity  | %                   | 22.17%                              | (26.21%)  | 8.10%     |
| Debt ratio/total equity   | Once                | 0.89                                | 1.13      | 0.99      |
| Total tangible assets/total tangible liabilities (trading ratio)  | Once                | 0.96                                | 1.01      | 0.92      |
| Total assets/total liabilities                                    | Once                | 1.42                                | 1.38      | 1.50      |

Source: Management's information.

\*Net sales growth rate for the financial year of 2019G compared with the net sales for the financial year 2018G.

\*\*Net Profit/(Loss) growth rate for the financial year of 2019G compared with the net profit/(loss) during the year for the financial year 2018G.







## Development Works Food Company

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### Market Overview

The economy of the Kingdom of Saudi Arabia is one of the world's leading economies, as the KSA's economy is characterized by the diversity of its resources and its richness of actors and influencers (such as oil and gas) that enable it to enhance the KSA's competitive position in all sectors.

"Vision 2030" will contribute to strengthening and doubling this competitive position, and making the KSA's economy safer and more stable. The KSA's wise leadership has revived the economy away from dependence on oil revenues as a primary resource and this has helped other sectors grow.

The food retail sector is one of the most important sectors in the field of food, which is a fundamental pillar in the national economy and food security. The KSA is one of the leading and distinguished countries in the field of food production, distribution and export, and is considered an example to be followed by the countries of the region and the world due to the distinctive development of international food products in the Saudi market.

Development Works Food Company is one of the leading companies in the field of food and beverage preparation and preparation of restaurants and coffee shops. Through the brands it owns, the Company provides many foods and drinks with modern collections and methods of presentation that keep pace with the desires of modern consumers to name a few: fresh juice products, sandwiches and pizzas, through brands: Juice time, Quiznos. Its commitment to the quality of its products towards its customers has also made the brands owned by the Company a leader in its field.

### Summary of Risk Factors

Prospective investors should study and review all information contained by this Prospectus before making an investment decision as to whether to subscribe to or trade in the Rights Issue, particularly the Risk Factors set and explained separately below in section (2) "Risk Factors" of this Prospectus:

- **Risks related to the Company's activities and operations.**
- **Risks related to market and industry.**
- **Risks related to the securities offered.**



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## 1. Definitions and Terms

The following table shows a list of definitions and terms for the statements used in this Prospectus:

| Defined term or abbreviation                                | Definition  |
|---|---|
| Company or Issuer   | Development Works Food Company, a Saudi Joint-Stock Company.  |
| Parent Company  | Development Works Food Company, a Saudi Joint-Stock Company.  |
| Group   | The Company and its subsidiaries.   |
| Board, Board of Directors or Board of Directors Members     | The Board of Directors of the Company, whose names appear on pages (d), (41) and (119).   |
| Management  | Executive Management of the Company.  |
| KSA   | Kingdom of Saudi Arabia.  |
| Government  | The Government of the Kingdom of Saudi Arabia.  |
| Articles of Association                                     | Company's Articles of Association.  |
| General Assembly  | The Shareholders' General Assembly of the Company.  |
| Ordinary General Assembly                                   | The Shareholders' Ordinary General Assembly of the Company.   |
| Extraordinary General Assembly                              | The Shareholders' Extraordinary General Assembly of the Company.  |
| Ministry of Commerce  | The Ministry of Commerce in the Kingdom of Saudi Arabia.  |
| Ministry of Human Resources and Social Development          | Ministry of Human Resources and Social Development in the Kingdom of Saudi Arabia.  |
| Zakat, Tax and Customs Authority                            | The Zakat, Tax and Customs Authority, a government body that is legally connected to the Minister of Finance, it is the body entrusted with the work of collecting Zakat and taxes.   |
| General Organization for Social Insurance                   | The General Organization for Social Insurance in the Kingdom of Saudi Arabia.   |
| SOCPA   | The Saudi Organization for Certified Public Accountants in the Kingdom of Saudi Arabia.   |
| Ministry of Municipal, Rural Affairs and Housing            | Ministry of Municipal, Rural Affairs and Housing in the Kingdom of Saudi Arabia.  |
| Saudi Authority for Intellectual Property                   | The Saudi Authority for Intellectual Property in the Kingdom of Saudi Arabia.   |
| Capital Market Authority or CMA                             | The Capital Market Authority in the KSA.  |
| Tadawul   | Tadawul (formerly Saudi Capital Market Company) is one of the companies of the Saudi Tadawul Group, which is established in accordance with the Council of Ministers Resolution dated 29/02/1428H (corresponding to 19/03/2007G) pursuant to the Capital Market Law. It is a Saudi closed joint-stock company, and the only entity authorized to act as a securities market in the Kingdom of Saudi Arabia, where it lists and trades securities. |
| Securities Depository Center Company/Depository Center/Edaa | A closed joint-stock company wholly owned by Saudi Tadawul Group, established in 2016G under the Saudi Companies Law issued by Royal Decree No. M/3, dated 28/01/1437H (corresponding to 11/11/2015G).  |
| Capital Market Law  | The Capital Market Law promulgated by Royal Decree No. M/30 dated 02/06/1424H (corresponding to 31/07/2003G), As amended.   |



|   |   |
|---|---|
| Saudi Stock Exchange, Stock Exchange, Stock Market, Market or Tadawul | Saudi Stock Exchange for stock trading.   |
| Trading System  | Automated system for trading Saudi shares.  |
| Rules on the Offer of Securities and Continuing Obligations           | The Rules on the Offer of Securities and Continuing Obligations issued by CMA Board Pursuant to its Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G) based on the Capital Market Law promulgated by Royal Decree No. M/30 dated 2/6/1424H as amended by CMA Board Resolution No. (8-5-2023) dated 25/06/1444H (corresponding to 18/1/2023G), as amended and any amendments to it.   |
| Listing Rules   | Listing Rules issued by the Tadawul Stock Exchange ("Tadawul") and approved by virtue of CMA Board Resolution No. 3-123-2017, dated 09/04/1439H (corresponding to 27/12/2017G), as amended by Resolution No. (1-52-2022), dated 12/09/1443H (corresponding to 13/04/2022G), and amended by Resolution No. (1-108-2022) dated 03/23/1444 AH (corresponding to 10/19/2022 AD) and any amendments to it.   |
| Companies Law   | Companies Law in the Kingdom of Saudi Arabia, issued by Royal Decree No. (M / 3) dated 01/28/1437 AH (corresponding to 11/10/2015 AD) and amended by Royal Decree No. (M / 132) dated 01/12/1443 AH (corresponding to 30/06/2022 AD) which entered into force on 06/26/1444 AH (corresponding to 01/19/2023 AD) and the amendments to it.   |
| Corporate Governance Regulations                                      | Corporate Governance Regulations in the Kingdom of Saudi Arabia issued by the Board of the Capital Market Authority pursuant to Resolution No. 8-16-2017 dated 05/16/1438H. (corresponding to 02/13/2017 AD). And amended by the decision of the Capital Market Authority Board No. (8-5-2023) dated 06/25/1444 AH (corresponding to 01/18/2023 AD).  |
| Labor Law   | The Saudi Labor Law promulgated by Royal Decree No. M/51 dated 23/08/1426H (corresponding to 27/09/2005G), as amended by Royal Decree No. (M/134), dated 07/01/1442H (corresponding to 26/08/2020G), as amended.  |
| Rules for Foreign Investment in Securities.                           | These are rules for regulating the investment of securities by non-Saudi persons residing outside the KSA. Issued by the Board of the Capital Market Authority pursuant to Resolution 2-26-2023 dated 05/09/1444 AH (corresponding to 03/27/2023 AD).   |
| IFRS  | A set of accounting standards and interpretations thereof issued by the IASB.<br>(International Financial Reporting Standards).<br>The International Financial Reporting Standards approved by SOCPA, which incorporates international standards along with the additional requirements and disclosures required by SOCPA and other standards and declarations approved by SOCPA, which include technical standards and publications related to matters uncovered by international standards, such as the issue of Zakat. |



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|                               |  |
|-------------------------------|--|
| Listing                       | Listing securities on the primary Saudi Stock Exchange or - where the context allows - submitting a listing application to Saudi Stock Exchange (Tadawul).   |
| Prospectus                    | This document prepared by the Company in relation to the underwriting of Rights Issue.   |
| Underwriting Agreement        | The underwriting agreement concluded between the Company and the Underwriter.  |
| Advisors                      | The Company's Advisors, whose names are mentioned in page (f) and (g).   |
| Financial Advisor             | Yaqeen Capital.  |
| Lead Manager                  | Yaqeen Capital.  |
| Underwriter                   | Al Wasatah Al Maliah "Wasatah Capital"   |
| Legal Advisor                 | Alsaleh, Alsahli & Partners Law Firm.  |
| Business Day                  | Any working day except for Friday, Saturday and any day that is a public holiday in the KSA or any day on which banking institutions are closed under applicable regulations and other government procedures.  |
| Financial Year(s)             | It is the period of time for the presentation of the result of the activity of the establishment and the beginning and end of which is specified in the memorandum of association or articles of association of the concerned Company. The Company's financial year shall end on December 31.  |
| The Rights or Priority Rights | Are tradable securities giving their holders the priority to subscribe to the new shares offered, upon approval of the capital increase. An acquired right by registered shareholders. Each Right grants its holder the right to subscribe to one New Share at the Offer Price. Rights Issue will be deposited after the Extraordinary General Assembly for Capital Increase is held on **/**/****H (corresponding to **/**/****G). The Rights will appear in the accounts of the Registered Shareholders under a new symbol specifying the Rights Issue. The Registered Shareholders are notified through an announcement on the Tadawul website as well as by the (Tadawulaty) service provided by the Securities Depository Center Company and SMS messages sent through brokerage companies. |
| Indicative Value of the Right | The difference between the market value of the Company's share during the Trading Period and the Offer Price.  |
| Right Trading Price           | The price at which the Right is traded, noting that such price is set through the Tadawul offer and demand mechanism. Hence, it may be different from the indicative value of the Right.   |
| Trading Period                | Period Starts from **/**/****H (corresponding to **/**/****G) until **/**/****H (corresponding to **/**/****G).  |
| Offer/subscription Price      | Ten (10) Saudi Riyals per share.   |
| Rump Shares                   | Rump Shares unsubscribed during the subscription period.   |
| Rump Offering                 | Rump shares unsubscribed by eligible persons shall be offered to institutional investors by offering them during Rump Offering Period.   |



|                                     |  |
|-------------------------------------|--|
| Rump Offering Period                | The period starts at 10:00 AM on **/**/****H (corresponding to **/**/****G) and continues until 05:00 PM of the following day on **/**/****H (corresponding to **/**/****G).   |
| Shares                              | The Company's ordinary shares of three million (3,000,000) ordinary shares, with a nominal value of ten (10) Saudi Riyals per share.   |
| New Shares Trading                  | Twenty-one million six hundred thousand (21,600,000) ordinary shares, which shall be issued to increase Company's capital.   |
| Subscription Eligibility Factor     | It is calculated by dividing the number of New Shares by the number of the Company's existing Shares.  |
| Net Proceeds of the Offering Person | Net Proceeds of the Offering after deducting the Offering expenses.<br>Natural person.   |
| Eligible persons                    | All Rights holders, whether Registered Shareholders or those who have purchased the Rights during the Trading Period.  |
| Registered Shareholders             | Shareholders own shares at the end of trading on the day on which the Extraordinary General Assembly on capital increase is held, and who are registered in the Company's shareholders register at the end of the second trading day following the day on which the Extraordinary General Assembly on capital increase is held, on **/**/****H (corresponding to **/**/****G).   |
| New Investors                       | General Individual and institutional investors - with the exception of the Registered Shareholders - who have purchased the Rights Issue during the trading period.  |
| Substantial Shareholders            | Shareholders owning 5% or more of the Company's shares, whose names appear in page (i) of this Prospectus  |
| Subscriber                          | Any Person subscribes to shares offering for subscription  |
| Shareholder                         | Owner or holder of shares as of any specified time.  |
| Brokers                             | The market institutions licensed by the Capital Market Authority to engage in the activity of dealing in securities in the capacity of an agent.   |
| Institutional Investors             | <p>Include a number of institutions, as follows:</p> <ol style="list-style-type: none"> <li>1. Government entities and government-owned companies, directly or through a private portfolio manager, or any international body recognized by the CMA, Market, any other financial market recognized by CMA or the Depository Center.</li> <li>2. Public investment funds established in the KSA, which are publicly offered, in addition to private funds that invest in securities listed on the Saudi Stock Exchange if the terms and conditions of the fund allow it to do so, while adhering to the provisions and restrictions stipulated in the Investment Funds Regulation.</li> <li>3. Persons authorized to deal in securities as principals, provided that the financial adequacy requirements are observed;</li> <li>4. Clients of a person licensed to practice management business, provided such licensed person has been appointed under conditions that enable him to make decisions regarding the acceptance of participation in the offering and investment in the</li> </ol> |



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|                        | <p>Saudi Stock Exchange on behalf of the client without the need to obtain prior approval from him.</p> <ol style="list-style-type: none"> <li>5. Any other legal persons may open an investment account in the KSA and an account with the Depository Center, considering the investment controls of companies listed in securities, provided the participation of the Company does not lead to any conflict of interest.</li> <li>6. GCC Investors with Legal Personality, including companies and funds established in the GCC countries;</li> <li>7. Eligible foreign investors; and</li> <li>8. A final beneficiary of a legal capacity in a mutual agreement concluded with an authorized person in accordance with the terms and conditions of the mutual agreements.</li> </ol>   |
| <p>Related Parties</p> | <p>It means in the rules of offering securities and continuous obligations, and under the list of terms used in the CMA Regulations and Rules issued by the CMA Board pursuant to Resolution No. 4-11-2004, dated 20/08/1425H (corresponding to 04/10/2004 G) and amended by CMA Board Resolution No. 2-26-2023, dated 05/09/1444H (corresponding to 27/03/2023G), as follows:</p> <ol style="list-style-type: none"> <li>1) employees of issuer;</li> <li>2) Substantial shareholders in the issuer;</li> <li>3) Directors and Senior Executives of the issuer;</li> <li>4) Directors and Senior Executives of the issuer's employees;</li> <li>5) Directors and Senior Executives of the issuer's substantial shareholders;</li> <li>6) any relatives to the persons referred to in Clauses (1, 2, 3, 4 or 5) above;</li> <li>7) any company controlled by any person referred to in Clauses (1, 2, 3, 4, 5 or 6) above.</li> </ol> |
| <p>GCC</p>             | <p>The Gulf Cooperation Council.</p>  |
| <p>H</p>               | <p>Hijri calendar</p>   |
| <p>M</p>               | <p>Gregorian calendar</p>   |
| <p>Saudization</p>     | <p>Replace the expatriate workers in private sector jobs with Saudi nationals.</p>  |
| <p>Nitaqat Program</p> | <p>It is one of the programs affiliated to the Ministry of Human Resources and Social Development. It is a program to motivate enterprises to employ Saudis. It is approved by Resolution No. (4040), dated 28/01/1432 H (corresponding to 10/09/2011G) based on Council of Ministers Resolution No. (50) dated 13/05/1415H (corresponding to 27/10/1994G). The program evaluates the performance of the establishment on the basis of specific bands (platinum, green, yellow and red) according to the activity and sector, under which the Company falls and the Nitaqat program has been amended by Resolution No. (63717), dated 29/03/1441H (corresponding to 26/11/2019G). The yellow band was removed from the Nitaqat program, all establishments in the yellow band were transferred to the red band and</p>  |



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|   | the red band standards contained in the Nitaqat program manual were applied to these establishments.   |
| VAT                                       | On 02/05/1438H (corresponding to 30/01/2017G), the Cabinet decided to approve the unified VAT agreement for Gulf Cooperation Council (GCC) countries, which came into force on January 01, 2018G, as a new tax added to the system of taxes and other fees to be implemented by Specific industries in the KSA, and in the GCC countries. The amount of this tax (5%), and a number of products have been excluded from the same (such as basic foods, services related to health care and education). The Government of the KSA has decided to increase the VAT rate from 5% to 15% as of July 01, 2020G. |
| Vision 2030                               | The National Strategic Economic Program, which aims to reduce dependence on oil and the petrochemical industry, diversify the Saudi economy and develop public services.   |
| Epidemic or Coronavirus "COVID-19"        | It is an infectious virus disease known as (Coronavirus and abbreviated "COVID-19"), where it began to spread in most countries of the world, including Saudi Arabia, in early 2020G, and as a result of this was classified by the World Health Organization as a pandemic.   |
| Compound Annual Growth Rate               | A method used to calculate the growth rate of a particular item over a specified period of time.   |
| GDP                                       | The gross domestic product of the Kingdom of Saudi Arabia. It is the market value of all locally recognized final goods and services that are produced within a specified period of time.  |
| Subsidiaries                              | Subsidiaries of the company. (Please see subsection (9.3) "Subsidiaries" of this Prospectus). Subsidiaries mean companies controlled by the Company through their ability to influence the actions or decisions of another person through any of the following, whether directly or indirectly, and whether carried out by the controlling party alone or jointly with a relative or affiliated party: (1) owning a percentage equal to 30% or more of the voting rights in a company, or (2) having the right to appoint 30% or more of the members of the administrative body of a company.              |
| Subsidiaries of the Company               | A subsidiary is considered material if it constitutes 5% or more of the total assets, liabilities, revenues, profits or potential liabilities of the issuer. (Please see subsection (9.3) "Subsidiaries" of this Prospectus.)  |
| Al Faddan Company for Fruits & Vegetables | Al Faddan Company for Fruits & Vegetables is a Saudi limited liability company, is a 70% owned subsidiary of Development Works Food Company.   |
| Riyal or Saudi Riyal                      | The official currency of the KSA.  |



## 2. Risk Factors

In addition to other information provided herein, all prospective investors should carefully consider all information contained herein, particularly the below risk factors, before deciding whether to subscribe to the Rights Shares. The risk factors described below are not inclusive of all the risks that the Company may encounter, as there could be other risks currently unknown to, or considered immaterial by, the Company. The Company's business, financial condition, results of operations, cash flows, and prospects could be adversely and materially affected if any of the following risks materialize.

Board Members further declare that, to the best of their knowledge and belief, as of the date of this Prospectus, there are no significant risks the omission of which would affect decisions taken by Shareholders and prospective investors, except as disclosed in this Section. An investment in the offered Shares shall only be suitable for investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which might result from such an investment. Prospective investors who have doubts about subscription should refer to a financial adviser licensed by CMA for advice in investing in the offered shares.

In the event that any of the risks that the Company currently believes to be material do occur, or if any other risks that the Company fails to identify or does not currently consider to be material do occur, the market value of the Shares could decrease and prospective investors could lose all or part of their investment.

The risks described below are presented in an order that does not reflect their importance. Additional unknown risks or those deemed immaterial may have the same impacts disclosed in this Prospectus.

### 2.1 Risks related to the Company's activities and operations

#### 2.1.1 Risks Related to the Inability to Implement the Strategy

The Company's ability to increase its revenues and improve its profitability depends on the effective implementation of its business plans and successful implementation of its strategy including, but not limited to, improvement of current activities in which the Company operates or entering new activities. The Company's ability to expand its business in the future depends on its ability to continue implementing and improving its operational, financial and administrative information systems in an efficient and timely manner, as well as on its ability to increase, train, motivate and maintain its workforce. Moreover, any business expansion plans that the Company intends to undertake in the future will be subject to the estimated costs and the schedule of implementation set for them and may need additional funding to complete any expansion plans. If the Company is unable to implement the expansion plans according to the schedule set for them with the estimated costs of the project or in the event that the desired profitability of these projects is not achieved, due to various reasons, including a change in the market situation at the time of implementation of these projects or a defect in the feasibility study, the Company's competitive position as well as its results of operations and profitability will be adversely affected.

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### 2.1.2 Risks Related to Non-issuance or Non-renewal of Licenses, Permits and Certificates

The company must obtain and maintain various permits, licenses and regulatory approvals in relation to its activities. These licenses include, but are not limited to: municipal licenses, company registration certificates issued by the Ministry of Commerce, trademark registration certificate, Saudization certificates, zakat certificates, and value-added tax registration certificate.

It is worth noting that the company and its subsidiary have (5) safety licenses (civil defense) that are being obtained as of the date of this bulletin, and one license that is being renewed.(see subsection (2.9.10) "Branches of the Company and Points of Sale" of Section (10) "Legal Information" of this Prospectus). Any violation in this regard may expose the Company to the penalties and fines stipulated in Article (30) of the Civil Defense Law issued by Royal Decree No. (M/10), dated 10-5-1406H (corresponding to 21/01/1986G) and amended by Royal Decree No. (M/66), dated 02-10-1424H (corresponding to 26/11/2003G) which provides for the imposition of a penalty on anyone who violates any of the provisions, regulations or decisions issued pursuant to the same by imprisonment for a period not exceeding six months, or a fine not exceeding 30,000 Saudi riyals or both for each violation. The failure of the Company to obtain civil defense licenses will also result in the Company not being able to obtain new municipal licenses or renew existing licenses and in the event that it is unable to obtain security and safety licenses from the civil defense. This may lead to the closure of the Company's headquarters, branches or facilities until the completion of the regular licenses to obtain civil defense licenses, which will negatively and materially affect the Company's business, financial situation, results of operations and future expectations.

The Company's non-compliance with the requirements of the Ministry of Municipal, Rural Affairs and Housing in terms of renewing/issuing municipal licenses for offices/branches through which it carries out its commercial activity is considered a violation of the Company's exposure to the penalties stipulated in the sanctions list for municipal violations (issued on 05/02/1442H (corresponding to 22/09/2020G), which may reach (500) thousand Saudi riyals, in addition to the closure of the Company's offices and branches, which will adversely and materially affect the Company's business, financial situation, results of operations and future expectations.

In case of the Company's inability to renew its current licenses, permits and certificates, or to obtain any licenses necessary for its business, or if any of its licenses are suspended or expired, or if any of those licenses were renewed on conditions that are not appropriate for the Company or its Subsidiary, or in the event that the Company or its Subsidiary is unable to obtain the additional licenses, permits and certificates that may be required of it in the future, this may expose the Company or its Subsidiary to cease and stop its operations, e.g. Company or its Subsidiary closure or freezing all services obtained from supervisory authorities (e.g. renewing licenses and certificates, issuing visas, residence permits, and transferring sponsorships ... etc.). This will result in disruption of Company's operations and incurring additional costs and financial penalties according to the relevant regulations, and



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consequently, which would have a material adverse impact on the Company's business, results of operations, financial condition and prospects.

### 2.1.3 Risks Related to Liquidity and Working Capital

The Company's current financial liabilities consist of long-term loans, financial lease obligations, leasing obligations, receivables to related parties, payables, accrued expenses, other liabilities and Zakat allocation, and the liquidity rate (trading ratio) of the Company (0.96 times) as at 31 December 2019 AD, and (1.01 times) as at 31 December 2020 AD, and (0.92 times) as at December 31, 2021AD, (1.01 times) as at December 31, 2020G and (0.92 times) as at December 31, 2021G. Liquidity risk can also result from the inability to sell current financial assets quickly and in an amount close to their fair value. Liquidity risk can also result from the inability to sell current financial assets quickly and for an amount close to their fair value. There is no guarantee that the Company will be able to meet its obligations on due dates and the Company does not guarantee that there will be no emergency or sudden events that may require immediate liquidity, which adversely and materially affects the Company's business and thus the results of operational and financial operations.

### 2.1.4 Risks Related to Credit

Credit risk arises when one party is unable to meet a certain financial obligation of the other party. The Company may face credit risk in several temporary or permanent cases, including the existence of receivable balances of clients, the failure of other creditors to meet its obligations to the Company, and other cases where the Company is exposed to credit risk.

The balance of the Company's trade receivables amounted (4.1) Saudi riyals as at 31 December 2019G, (4.1) million Saudi riyals as at 31 December 2020G, and (6.0) million Saudi riyals as at 31 December 2021G.

The Company cannot guarantee that the parties with whom it deals will not fail to fulfill their obligations, nor can it accurately predict their future ability to comply. In the event that debtors fail to pay the Company's dues or delay in the collection of trade receivables from them, this will adversely and materially affect the availability of liquidity for the Company's needs, expenses and cash flows, and thus will adversely and materially affect the Company's business, financial position, results of operations and future expectations. (For more information, please See subsection (8.6.6) "Trade Receivables" of subsection (6.6) "Consolidated Statement of Financial Position" of Section (6) "Financial Information, Management Discussion and Analysis" of this Prospectus).



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### 2.1.5 Risks Related to Payables

The balance of the Company's payables amounted (6.86) million Saudi riyals as at December 31, 2019G, (6.66) million Saudi riyals as at December 31, 2020G, and (5.13) million Saudi riyals as at December 31 2021G. The ratio of payables to the total liabilities represents (7.33%), (8.21%) and (7.72%) as at December 31, 2019G, 2020AD and 2021G, respectively. The grace period granted by the suppliers to the company to settle the payables ranges from 30 to 60 days. The Company may not be able to pay its full credits or pay them within the period agreed with the suppliers, which may not enable the Company to obtain purchase agreements by debt on appropriate terms in the future which will adversely and materially affect the working capital of the Company and Its operations, financial results and future expectations.

### 2.1.6 Risks Related to Increase of Company's Debts

The debts of the Company amounted (34.66) million Saudi riyals as at December 31, 2019G, (35.06) million Saudi riyals as at December 31, 2020G, and (32.73) million Saudi riyals as at December 31 2021G. The Company's debts also represent from the total rights of the equity (0.89 times) as of December 31, 2019G, (1.13 times) as on December 31, 2020G, and (0.99 times) as on December 31, 2021G. The Company resorts to financing its business in order to provide liquidity that helps it achieve its revenues and repay its indebtedness continuously, however, if the indebtedness rises and the company cannot reduce it, this will negatively affect the Company's financial performance, operations and future plans. (For more information, please See subsection (17.6.6) "Loans and Credit Facilities" of subsection (6.6) "Consolidated Statement of Financial Position" of Section (6) "Financial Information, Management Discussion and Analysis" of this Prospectus). If the Company is unable to meet its repayment obligations referred to above, the banks will request immediate repayment of the debt and collection of guarantees provided by the Company, which will adversely and materially affect the Company's business, financial situation and future expectations.

### 2.1.7 Risks Related to Increase Company's Liabilities

It is possible that the increase in the Company's liabilities poses a risk to the general financial position of the Company and its solvency, as the percentage of total liabilities of the total assets amounted (70.63%) as at December 31, 2019G, (72.41%) as at December 31, 2020G, and (66.77%) as at December 31, 2021G. Therefore, increasing the Company's liabilities will lead to a negative impact on its financial position and increase financing costs, and if this happens, it will be difficult for the Company to meet its obligations, and this will have a negative impact on the Company's business, financial situation, results of operations and future expectations. (For more information, please see subsection (6.6) "Consolidated Statement of Financial Position" of Section (6) "Financial Information, Management Discussion and Analysis" of this Prospectus).





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### 2.1.8 Risks Related to Availability of Funding in Future

The Company may need to obtain loans and bank facilities to finance future expansion plans. It is worth noting that obtaining financing depends on the Company's capital, financial condition, cash flows, guarantees provided, and credit record. The Company does not give any assurance or guarantee that it will obtain the appropriate financing if the need arises. Therefore, the Company's inability to obtain funding for its needs from financing sources, or to get financing at acceptable preferential terms commensurate with the Company, will have a material adverse impact on the Company's performance, operations and future plans.

### 2.1.9 Risks related to Contingent Liabilities

Some potential liabilities may arise on the Company and its subsidiary, such as costs related to Zakat, taxes or lawsuits, as well as any other liabilities or costs such as end-of-service gratuity for employees. If these obligations are fulfilled, they will adversely and materially affect the Company's financial position, financial position, results of operations and future expectations.

### 2.1.10 Risks related to Reliance on Key Employees and Executive Management

The Company and its future plans for success depend on the expertise and competencies of its executive management and key employees. The Company aims to attract and employ qualified individuals to ensure the efficiency and quality of business through effective management and proper operation. There is no assurance that the Company can retain the services of its employees. The Company may also need to increase the salaries to ensure retention of employees or attract new staff with appropriate qualifications and expertise. Accordingly, if the Company loses any of the senior executives or qualified employees and is unable to recruit replacements with the same level of experience and qualifications at appropriate cost, this will have a material adverse impact on the Company's business, results of operations and prospects.

### 2.1.11 Risks related to Employee Errors or Misconduct

The Company and its subsidiary cannot guarantee that it can deter employee's misconduct or mistakes, such as embezzlement, deliberate mistakes, fraud, theft, forgery, misuse of its properties and act on its behalf without obtaining the required administrative authorizations. Therefore, such actions may entail consequences and responsibilities, statutory penalties, or financial liability on part of the Company, which will negatively affect the reputation of the Company and its subsidiary. Therefore, the Company cannot guarantee that employees' misconduct or mistakes will not materially and negatively harm its financial condition, results of its operations and prospects.

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### 2.1.12 Risks related to Operating Systems and Information Technology

The Company and its subsidiary, rely on IT systems to manage their business and facilities, which exposes the Company or any of its subsidiary to the risk of disruption of these systems, such as the collapse of the system, the failure of protection systems, the penetration of the Company's systems, electronic viruses, natural disasters, fires, communication errors or the lack of skilled labor necessary to operate and manage these systems, if the Company fails and decoys its subsidiary in maintaining and developing IT systems or in the event of any malfunctions in its functions or major malfunction or repeated failures, this will affect the Company's business negatively and materially, its financial position, the results of its operations and its future expectations. Failure to maintain an effective operating systems and IT strategy or choose appropriate systems for the company's operations will lead to a decrease in the company's competitiveness, which negatively and materially affects the company's business, financial position and results of operations. and its future expectations.

### 2.1.13 Risks related to Changes in Accounting Standards or the Application of New Standards

The Company's audited financial statements for the financial year ended on December 31, 2019G, and the accompanying notes, and the Company's audited consolidated financial statements for the financial years ended on December 31, 2020G and 2021G, and the accompanying notes thereto, have been prepared in accordance with the IFRS adopted in the KSA and other standards and publications adopted by SOCPA, in which case the Company is obliged to apply amendments or changes to these standards from time to time. Therefore, any changes to these standards or the mandatory application of certain new standards may adversely affect the financial statements and thus the financial results of the Company and its financial position. It is worth mentioning that during 2020, the Group's management discovered some accounting errors in calculating the right to use assets that were not handled by accounting records in the correct manner; therefore, the financial statements for the year ended on December 31, 2019G were amended, in line with IFRS 16 "Financial Leasing" adopted in the KSA. These amendments are summarized below:

Table No. (1): Impact on the Statement of Financial Position as at December 31, 2019G.

| Item                          | December 31, 2019G<br>(Pre-amendment)<br>Saudi riyals | Impact of Amendment<br>Saudi riyals | Reclassification<br>Saudi riyals | December 31, 2019G<br>(Post-amendment)<br>Saudi riyals |
|-------------------------------|---|-------------------------------------|----------------------------------|--|
| <b>Assets</b>                 |   |                                     |                                  |  |
| Right to use assets, net      | 57,485,464  | (8,069,608)                         | -                                | 49,415,856   |
| <b>Equity and liabilities</b> |   |                                     |                                  |  |
| Retained earnings             | 23,651,687  | 325,493                             | -                                | 23,977,180   |

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|  |            |             |           |            |
|--|------------|-------------|-----------|------------|
| Payables, accrued expenses and other liabilities | 13,940,465 | (2,142,119) | -         | 10,924,018 |
| Leasing obligations - intangible portion         | 37,780,993 | (5,271,666) | (874,328) | 32,509,327 |
| Leasing obligations - tangible portion           | 14,407,473 | (981,316)   | -         | 13,426,157 |

Source: Audited Consolidated Financial Statements of the Company for the financial year ended on December 31, 2020G

Table No. (2): Impact on the Statement of Profit or Loss and Other Comprehensive Income as at December 31, 2019G.

| Item                                    | December 31, 2019G<br>(Pre-amendment) SAR | Impact of Amendment<br>Saudi riyals | December 31, 2019G<br>(Post-amendment) SAR |
|---|---|-------------------------------------|--|
| Total Comprehensive Income for the Year | 8,304,266                                 | 325,493                             | 8,629,759                                  |

Source: Audited Consolidated Financial Statements of the Company for the financial year ended on December 31, 2020G

### 2.1.14 Risks Related to Saudization Requirements

Compliance with the Saudization requirements is a legal requirement issued by the Ministry of Human Resources and Social Development in the Kingdom, whereby all companies operating in the Kingdom, including the Company, are obligated to employ a certain percentage of Saudi employees among their total employees and to maintain that percentage. According to the Nitaqat program issued by the Ministry of Human Resources and Social Development, the Saudization rate as at the date of this Prospectus amounts (28.81%) and the Company is classified within the high green range (medium, class c). Although the Company is currently committed to the required Saudization rates, however, in case the Company fails to maintain the Saudi staff or fails to continue maintaining this required such rates or in case the Ministry of Human Resources and Social Development decides to impose more stringent Saudization policies in the future, and the Company becomes unable to comply with the requirements of Ministry of Human Resources and Social Development, it will be subject to penalties imposed by government agencies, e.g. suspension of applications for work visas and sponsorship transfer for non-Saudi workers, which would have a material adverse impact on the Company's business, results of operations, financial condition and prospects. (For more information, Refer to



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subsection (3.12) “Personnel and Saudization” of Section (3) “Background on the Company and the Nature of its Business” of this Prospectus).

### 2.1.15 Risks Related to Occurrence of Natural Disasters

Damages caused to the Company's or its subsidiary's facilities as a result of natural disasters, such as floods, earthquakes, and other natural incidents, may cause the Company to incur large and huge costs, and severely affects the Company's or its subsidiary's ability to perform its operations. Natural disasters, occurring and damaging the Company's or its subsidiary's facilities, in particular, the uninsured facilities, will have a material adverse impact on the Company's business, results of operations, financial condition and prospects.

### 2.1.16 Risks Related to Non-compliance with the Quality Standards and Specifications required by Customers

The Company seeks to maintain the satisfaction of its customers by continuing to provide the same level of quality of its products. However, in the event that the Company is unable to continue providing its products with the same level of quality, this will adversely affect its reputation, and thus make customers reluctant to deal with it. This will adversely affect the Company's sales and accordingly its operational and financial operations.

### 2.1.17 Risks related to litigation

As at the date of this Prospectus, the Company is a party to claims and lawsuits as a plaintiff with estimated total at (1,149,073) Saudi riyals (please refer to subsection (10.14) “Litigation” of Section (10) “Legal Information” of this Prospectus). The Company may find itself a party to other claims and lawsuits as a plaintiff or defendant. Any negative outcome with regard to litigation and regulatory procedures would adversely affect the Company's business, financial condition, results of operations and future prospects. The Company cannot accurately anticipate the size of the cost of the lawsuits or judicial procedures that may be instituted or instituted against it in the future, or the final results of those lawsuits or judgments issued in them and the compensation and penalties they include, Note that the company does not have a provision for lawsuits as on the date of this prospectus. These claims may include, but are not limited to, Zakat and Taxes issues, the work system, errors, complaints and other damages resulting from negligence or fraud by persons or organizations beyond the control of the Company. Therefore, any negative consequences of such cases (as a plaintiff or defendant) will negatively affect the Company's business, results of its operations, its financial position and its future prospects.



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### 2.1.18 Risks related to potential zakat dues and additional claims

The following is an explanation of the zakat status of the company and its subsidiaries:

#### **Development Works Food Company (the Company)**

The company submitted the zakat declaration to the Zakat, Tax and Customs Authority for all previous years from the establishment of the company in 2010G until the fiscal year ending on 31 December 2021G, and obtained a zakat certificate from the Zakat, Tax and Customs Authority for all years until to 2022G No. (1110197009) dated 10/11/1444H (corresponding to 30/05/2023G) valid till 21/10/1445H (corresponding to 30/04/2024G). The Zakat, Tax and Customs Authority considered the zakat assessment so the company has finalized its zakat status till 2019G. The zakat declaration for 2020G was examined and the company was claimed to pay an additional zakat amount of (448,481) Saudi riyals. Therefore, the Company submitted an objection to the Zakat, Tax, and Customs Authority's assessment but the Authority has refused such objection. Then, the objection was escalated to the Tax Committees and is still being addressed as of the date of this Prospectus.

#### **Al Faddan Company for Fruits & Vegetables (a Subsidiary)**

The company submitted the zakat declaration to the Zakat, Tax and Customs Authority for all previous years from the establishment of the company in 2019G until the fiscal year ending on 31 December 2021G, and obtained a zakat certificate from the Zakat, Tax and Customs Authority for all years until to 2021G whereas the certificate for the year of 2021G is under No. (1020204935) dated 20/09/1443H (corresponding to 21/04/2022G) valid till 10/10/1444H (corresponding to 30/04/2023G). The Company has not received from the Zakat, Tax and Customs Authority any Zakat assessment or additional claim for the amount of Zakat for any year as of the date of this Prospectus.

Based on the above zakat status of the Company and its subsidiary, the company and its subsidiary cannot expect whether the Zakat, Tax, and Customs Authority will accept their Zakat estimates for the years referred to above, for which the Zakat, Tax and Customs Authority has not yet issued the Zakat assessment, or will claim the Company to pay any zakat differences for these years. The company has established zakat provision as at 31 December 2021G amounted SAR (0.3) million. In the event that the Zakat, Tax and Customs Authority claimed the Company or its subsidiary to pay any zakat differences in the future exceeding the zakat provision established, then it will be exposed to pay additional amounts, that would have negative significant impact on the Company's profitability, results of its operations, financial position, and its future prospects. (For more information, please refer to Subsection (6.5.4) "Zakat provision" of Section (6) "Financial Information & Management's Discussion and Analysis" of this Prospectus).

### 2.1.19 Risks related to financing agreements

The Company has entered into six (6) credit facility and loan agreements with two (2) local banks with the total amount of SAR (49.8) million, the total utilized amount thereof is SAR (31.6) million as of 31 December 2021G. There is no assurance of the Company's ability to fulfill its obligations in the maturity



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dates, which would be considered a violation of the concluded agreements. In this event, the lending entities shall be entitled cancel or terminate the financing agreements, and claim the Company to immediate full repayment of the indebtedness, that would negatively affect the Company's business, financial position, the result of operations, borrowing and financing ability, and execution of the future plans.

The lending entities may call for guarantees, which the Company is unable to provide. In this event, the Company will violate the provisions of the agreements. If the Company was unable to fulfill its repayment obligations under the financing agreements or to provide any additional guarantees probably required against these agreements, the lending entities may claim immediate repayment of the debt, and collect the guarantees provided by the Company. In this event, there is no guarantee that the Company will be able to obtain adequate alternative financing for repaying these debts. Any of these factors may have a negative significant impact on the Company's business, financial position, and prospects. (For more information about the financing agreements, please refer to Subsection (6.6.17) "Loans and Credit Facilities" of Section (6) " Financial Information & Management's Discussion and Analysis" and Subsection (10.12.5) "Credit Facilities and Loans" of Section (10) "Legal Information" of this Prospectus).

### 2.1.20 Risks related to sales concentration

The Company's sales is mainly generated from the sale of fresh juices through its "Juice Time" brand which constituted (84%) , (80%) and (86%) of the Company's net product sales as of December 31, 2019G, 2020G and 2021G respectively. Therefore, in the event of a decrease in sales of fresh juices, this will negatively affect the Company's revenues and thus the results of operational and financial operations.

The company's sales by geographical region are concentrated in the sales of the central region - Riyadh in the Kingdom, which constituted (75.11%), (71.61%) and (74.85%) of the Company's net product sales as of December 31, 2019G, 2020G and 2021G respectively.

(For more information, please refer to Subsection (6.5.1) "Revenues per Geographical Area " and Subsection (6.5.2) "Revenue and profit according brands and subsidiaries "of Section (6) "Financial Information & Management's Discussion and Analysis" of this Prospectus).

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### 2.1.21 Risks related to brand and Property Rights protection

The ability of the Company and its subsidiary to market its products and develop its business depends on the use of its name, logo and brand, which support its business and competitive position as well as give it a clear market distinction among customers. The company has registered its trademarks with the competent authorities (please refer to subsection (10.15) "Trademarks" of section 10 "Legal Information" of this Prospectus). Any breach of IP rights or unlawful use of the company's trademarks would affect the company's reputation. The company may have to engage in costly judicial proceedings and concentrate the efforts of some of its administrative staff in order to protect its trademarks. If the company fails to effectively protect its trademarks while renewing registration certificates or following similar brands, this would adversely affect their value, reflecting negatively and substantially on the Company's business, results of operations, financial position and future prospects.

### 2.1.22 Risks Related to insurance coverage

The Company has a number of insurance contracts, including medical insurance for its employees and their families, vehicle insurance, property insurance (Please refer to Subsection (10.16) "Insurance" of Section (10) "Legal Information" of this Prospectus).

Insurance contracts include deductible amounts and factors excluded from insurance coverage, in addition to other restrictions related to insurance coverage to be negotiated with insurance companies, and the Company's ability to obtain compensation due to it by the relevant insurance Company depends on the financial solvency of the insurance Company and its ability to meet the value of this Compensation. So, the insurance may not cover all the losses incurred by the Company and no guarantee is given that the Company will not incur losses that exceed the limits of the insurance policies or outside the coverage contained therein such as the uninsured Company assets in branches (such as display refrigerators, blenders, and freezers. It is possible that cases may arise in which the value of the claim exceeds the value of the insurance held by the Company, or that the compensation claim submitted by the Company to the relevant insurance Company will be rejected, or the claim and compensation period may be prolonged, which will negatively affect the Company's business, results of operations, financial position and future prospects.

### 2.1.23 Risks related to reliance on non-Saudi employees

As at the date of this Prospectus, the number of non-Saudi employees reached (512) accounted for (74.96%) of the total employees in the Company which may affect the Company's business results, financial position and operational results negatively if it is not able to maintain its non-Saudi cadres or find replacements for them with the same skills and experience required, or in the event of any change in the policies, regulations and laws of the Ministry of Human Resources and Social Development that resulted in an increase in the Saudization rate of the sector, making it difficult for the Company to maintain its cadres of non-Saudi workers. Since the Company relies on a high percentage of non-Saudi



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employees, which will lead to an increase in government fees that the Company bears for every non-Saudi employee in terms of work licenses and residence permits. This will cause an increase in the financial cost of the Company and negatively and fundamentally affect its business, financial performance and results of operations.

The total government fees paid by the Company for its non-Saudi employees amounted to SAR (3.13) million, SAR (2.44) million, and SAR (3.48) million as on December 31, 2019G, 2020G and 2021G respectively.

In addition, the government has also imposed fees for issuing and renewing residency for dependents and companions of non-Saudi employees (Companions Fees), which became effective as of 01/07/2017G, noting that it gradually increased from one hundred (100) Saudi Riyals per month for each dependent in 2017G, until it reached four hundred (400) Saudi Riyals per month for each dependent in 2020G, and accordingly, the increase in the fees for issuing and renewing residence permits borne by a non-Saudi employee on behalf of his family will lead to an increase in the cost of living for him, which will lead him to work in other countries where the cost of living is lower, and if such a thing happens, the Company will face difficulty in maintaining its non-Saudi employees, which may force it to bear those costs for non-Saudi employees or part thereof directly, or indirectly by raising the wages of its non-Saudi employees, which will lead to an increase in the Company's costs, and thus will have a negative and material impact on its business, financial performance, results of operations and future prospects.

It is also worth noting that on 18/03/1442H (corresponding to 04/11/2020G), the Ministry of Human Resources and Social Development in the Kingdom of Saudi Arabia launched the initiative to improve the contractual relationship, which aims to support the vision of the Ministry of Human Resources and Social Development in building an attractive labor market, empowering and developing human competencies and developing the work environment, where the initiative provides three main services: the job mobility service, and the development of exit, return and final exit mechanisms. The initiative's services include all expatriate workers in private sector establishments within specific controls that take into account the rights of both parties to the contractual relationship and the terms of the contract between the employer and the expatriate worker. This initiative entered into force on March 14, 2021G. The job mobility service allows the expatriate worker to move to another job upon the expiry of his work contract without the need for the employer's approval. The initiative also defines the mechanisms for the transition during the validity of the contract, provided that the notice period and the specified controls are adhered to. Accordingly, upon the entry into force of this initiative, the Company does not guarantee that it will maintain its cadres of non-Saudi workers and renew their contracts on conditions satisfactory to them, which will push them to move to another job in accordance with the mechanisms referred to above, and if the Company is unable to maintain its cadres of non-Saudi workers or find replacements therefor with the same skills and experience required, this will lead to an increase in the financial cost to the Company, which would negatively and fundamentally affect the Company's business, financial results and future prospects.





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### 2.1.24 Risks related to contracts with third parties

The Company has entered into a number of contracts and agreements with third parties represented in lease contracts, financing agreements, and service suppliers' contracts, economic transfer contract, major discount contract and Franchise contracts (please refer to subsection (12.10) "Summary of Significant Contracts" of Section (10) "Legal Information" of this Prospectus). Accordingly, the Company is exposed to the risk of the contracting parties being unable or unwilling to fulfill their contractual obligations. Furthermore, the parties that the Company contracts with may breach their obligations for any reason, including as a result of their bankruptcy, financial insolvency, or disruption of their operations, and the risks that arise from dealing with these parties become more acute under difficult market conditions. Nor can it be asserted that these parties will be at the level of the Company's aspirations, and in the event that the Company or its contracting parties are unable to abide by the terms of those contracts, or in the event of any future disputes or issues, and the Company's loss of those disputes, this will negatively and materially affect its financial position, cash flows, operational results and prospects.

### 2.1.25 Risks related to parties' transactions

The Company deals with related parties represented by investee companies and associate companies (please refer to subsections (6.6.13) "Related Parties Transactions" and (10.12.1) "Contracts and Transactions with Related Parties" of this Prospectus). As of the date of this Prospectus, the transactions with related parties have not been brought before the General Assembly of the Company's shareholders. This is deemed a violation of Article (27 and 71) of the Companies Law, which states that: "The approval of the Ordinary General Assembly shall be attained in advance on all business and contracts entered into by and between the related parties. Accordingly, the Company is subject to violations of the mandatory provisions and rules of the Companies Law. Consequently, the Company may be subject to fines and penalties, which may reach, according to Article (262) of the Companies Law, to (500,000) Saudi riyals, and those penalties are doubled in the event of repeated violations within three years from the date of that ruling. Violations in accordance with Article (263) of the Companies Law, thus, the Company may be exposed to the risk of appealing or invalidating such transactions. The occurrence of any of the above-mentioned cases will have a negative and material impact on the Company's business, financial position, results of operations and future prospects. All commercial transactions with related parties are subject to the approval of the General Assembly of the Company's shareholders. In the event that it does not agree to these transactions, the Company will have to find out other unrelated parties to deal with them in order to carry out the works assigned to related parties. In addition, if transactions with related parties are not carried out in the future on a purely commercial basis, this will negatively and fundamentally affect the Company's business, financial position, results of operations and future prospects.



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### **2.1.26 Risks related to presence of the Company's assets on leased lands**

The Company has a number of assets built on leased lands (please refer to Subsection (2.12.10) "Leases" of Section (10) "Legal Information" of this Prospectus). The Company's failure to comply with the terms of the lease contracts will lead it to enter into judicial disputes that may lead to the withdrawal of the leased lands and consequently the Company's business halt. In case this happens, or if the Company is unable to maintain the continuity of these contracts or renew them on the same current terms or preferential terms, this will adversely affect the Company's business, results of operations, financial performance and future prospects.

### **2.1.27 Risks related to Outbreaks of infectious diseases or other threats to public health, including the ongoing global spread of the coronavirus (COVID-19) pandemic.**

With the beginning of the year 2020G, a contagious viral disease known as (Coronavirus "Covid-19") spread, as it began to spread in most countries of the world, including the Kingdom of Saudi Arabia, and as a result, the World Health Organization classified it on March 11, 2020 as a pandemic, and called for taking the necessary preventive measures to confront this virus and to limit its spread. Accordingly, the government of the Kingdom of Saudi Arabia hastened to take strict decisions in this regard, which resulted in, for example, but not limited to; imposing a partial or total curfew in some cities and governorates of the Kingdom, closing airports, malls and all activities inside them, except for food stores and pharmacies, reducing the number of working hours for some sectors and obligating some of them to work remotely.

The outbreak of any infectious disease, such as the Coronavirus (COVID-19), the Middle East Respiratory Syndrome (MERS), the Influenza Virus (HINI), and the Acute Respiratory Syndrome (SARS) in the Middle East or any other region, will also have a significant negative impact. On the Kingdom's economy and the company's operations. Also, if the infection spreads and the company's employees are infected with any of these diseases, this will lead to a shortage in the number of employees in all the company's departments, including the operating departments, or it will lead to a reduction in the number of work shifts or working hours, which would disrupt the company's operational operations. It weakens its ability to provide its services and products, produce sufficient quantities of products on an ongoing basis, or adhere to its contractual requirements, which would negatively and fundamentally affect the company's business, financial position, and the results of its future operations.



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### 2.1.28 Risks related to inventory management

The Company's inventory balance amounted to SAR (9.8), (5.8) and (7.0) million as on December 31, 2019G, 2020G and 2021G respectively, and the inventory's due days amounted to (30), (28) and (29) days as on December 31, 2019G, 2020G and 2021G respectively. The inventory percentage of the Company's total assets represents (7.41%), (5.17%) and (7.06%) as on December 31, 2019G, 2020G and 2021G respectively. If the Company is not able to maintain and monitor stock levels periodically, this will lead to a severe decrease or to an excess in stock levels, which may cause the Company losses for not being able to meet the requirements of customers, in the first case, or to discharge stock, in the second case. In the event that these matters occurred, this will affect the Company's business operations negatively and materially, and consequently; on its financial position, results of operations and future prospects. (For more information, please see subsection (11.6.6) "Inventory" of Section (6) "Financial Information and Management Discussion and Analysis" of this Prospectus). It is also worth noting that the company's inventory is made up of vegetables, fruits and food products that are prone to damage and where the company discounts the damaged inventory from the cost of sales (the Company therefore does not retain a provision for damaged inventory). Although the Company insured its stock, the subsidiary company "Al-Feddan Fruits and Vegetables Company" has not insured its stock. Thereupon, in the event of any of the above-mentioned risks afflicted the stock, this matter would have a negative and fundamental impact on the subsidiary company, and therefore, shall have a negative and material impact on the parent company, the results of its operations and its future prospects.

### 2.1.29 Risks related to the Company's financial performance

The company's financial performance was affected during the years from 2019 AD to 2021 AD, especially in light of the spread of the Corona pandemic, as the gross profit margin decreased from 20.2% for the fiscal year 2019 AD to 2.8% for the fiscal year 2020 AD, and increased in 2021 AD to reach 11.2%, despite the cancellation of many The restrictions related to the pandemic, which negatively and directly affected the company's performance, sales, and profits. The financial performance in general of the company did not reach pre-COVID-19 levels. The reasons for the impact are due to the increase in the cost of raw materials (vegetables and fruits) for the company and the stability of sales to a large extent, in addition to the increase in the costs of employee wages as a result of the opening of new branches, and despite the improvement in gross and net margins during 2021 AD, they are still low compared to pre-pandemic levels. corona. In the event that the company's financial performance continues without significant improvement compared to previous years, this will negatively and materially affect the company's reputation, business, results of operations, financial position and future prospects.



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### 2.1.30 Risks related to opening of new company branches

During the years from 2019G to 2021G, the Company opened new branches. Although the sales growth has had a relatively positive impact due to the opening of new branches, the profit margin was decreased due to the increase in operating costs of these branches. Additionally, the company could not succeed in some of these new branches and the lack of demand from customers. This would negatively and substantially affect the Company's results of operations, financial position and future prospects.

### 2.1.31 Risks Related to Lower Operational and Financial Performance of Some Company Branches

The operational and financial performance of some branches of the Company varies from other branches where performance is mainly influenced by the location of the branch and the extent of customer demand for it. Where the value of losses resulting from the five least performance branches amounted to (1.0), (2.7) and (2.3) million Saudi riyals as on December 31, 2019, 2020 and 2021, respectively. The company would be obliged to close branches with poor or negative performance if they do not improve. This would negatively and substantially affect the Company's overall performance, results of operations and future prospects.

### 2.1.32 Risks Related to Performance of "Quiznos Sub" Brand

The "Quiznos Sub" brand incurred net losses of SAR (3.8) and (2.3) million as in 2020G and 2021G respectively. This would negatively and substantially affect the Company's results of operations and profits. If the loss by Quiznos Sub Brand continues, this would negatively and substantially affect the Company's results of operations, financial position and future prospects.

### 2.1.33 Risks Related to Company's investments

In the years 2019G and 2020G, the company has sold its shares in three brands (Chicks House, Mishwar Pizza and Mahboob Shawarma), all of which recorded losses which reached (1.6) and (5.2) million Saudi riyals during the two fiscal years 2019-2020G, respectively. Therefore, the company decided to withdraw its shares from these brands because they were not economically feasible. Conducting and disposal of unprofitable new investments by the Company would make it bear losses. This would negatively and substantially affect the Company's financial performance, results of operations, profits and future prospects.



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### 2.1.34 Risks related to personal guarantees

The Company has concluded a number of credit facility agreements secured by personal guarantees amounted (20,359,188) Saudi riyals by Former Chairman Ashry Saad Mazal Al-Ashry and former board member Abdulrahman Nasser Al-Asmari (please refer to subsection (6.6.17) "Loans and Credit Facilities" of Section (6) "Financial Information & Management's Discussion and Analysis" and Subsection (10.12.3) "Credit Facilities and Loans" of Section (10) "Legal Information" of this Prospectus). In the event that the Company is unable to provide the appropriate guarantees for the funders, it will be difficult for the Company to obtain the required banking facilities, or in return for obtaining the bank facilities, it will be obliged to provide other guarantees, including but not limited to, mortgaging part or all of the assets of the Company which would negatively and substantially affect the Company's business, results of operations, financial position and future prospects.

### 2.1.35 Risks related to the suspension of trading in company shares due to non-publication of its financial statements for 2020

The Company failed to disclose its financial results ending on December 31, 2020G during the statutory period (three months from the end of the financial period of the annual financial statements). Therefore, the Company's shares were suspended for one trading session on April 01, 2021G, which follows the end of the statutory period described above. The procedures for suspending the listed securities in accordance with the listing rules stipulate that the CMA suspends the trading of securities for a period of one trading session following the expiry of the statutory period. In the event that the financial information is not published within twenty trading sessions following the first suspended trading session, the CMA announces the re-suspension of the Company's securities until it announces its financial results. The main reason for this delay was the inability to audit the data by the company's financial management as the majority of the financial management staff were infected with the coronavirus. The company did not take the necessary measures so it could to continue the work and finalize the financial statements, which led to delays in the disclosure of the financial statements and the suspension of the Company's shares. If this matter happens again in the future and the company does not take any alternative actions, it will cause the company to suspend its shares, which will have an adverse and substantial impact on the interests of shareholders, the Company's reputation, business results and future prospects.

### 2.1.36 Risks related to different number of employees in company statements

There are differences in the number of employees in the company, i.e. variance approximately (193) between social insurance and payroll and the number included in the calculation of employee benefit liabilities on the financial position statement. The reason for this difference is that there are some employees who leave the job without formal resignation, and the company does not continue to pay fees to the social insurance on their behalf, Thus the company is considered to be in violation of the social insurance law. and therefore these employees remain in the social insurance accounts and are dismissed only upon receipt of a formal letter of resignation. The number of employees at various

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government entities and the Company's internal data should match, and any breach in this matter may expose the Company to violations and financial fines. The fine amount is twenty thousand (20,000) Saudi riyals, multiplied by the number of workers. The company has not been fined in this regard from any official authority as of the date of this prospectus, and the company may find in this regard which may results negatively on the company in the future, which would affect negatively and materially the results and financial position of the company.

### 2.1.37 Risks related Company fixed assets

As at the date of this prospectus, the company does not have an official policy to be approved to renew or improve the company's assets. As of December 31, 2021G, the depreciation of property and equipment exceeded 47%. There are 13 branches that have been depreciated by more than (60%) as on December 31, 2021G, amounted SAR 11.7 million. Additionally, the item of property and equipment includes as of December 31, 2021G assets that have been fully depreciated and are still operating at a cost of SAR 3.4 million (SAR 2.8 million as at December 31, 2020G). Net book value decreased from SAR 55.7 million as at December 31, 2019G to SAR 36.0 million as at December 31, 2021G. The reason for this decrease is due to (i) the disposal of assets with a net value of (9.3) million Saudi riyals, and (ii) depreciation charges of (20.2) million Saudi riyals, during the financial years 2020 and 2021G. It is expected that a number of the company's assets may need to replenish capital expenditures over the medium term. If the Company failed to develop assets renewal policy, this would negatively and materially affect the company's business, results of operations, financial position and future prospects.

As at the date of this prospectus, the Company does not have insurance coverage over all of its assets, whereas it is as on December 31, 2021 AD the value of the assets amounted roughly (36.0) million Saudi riyals, and The company had insurance cover about (10.0) million Saudi riyals, and the rest of the assets are being insured. If any of the Company's assets are damaged, this would cause the company to bear additional costs and affect its operations, thereby negatively and substantially affecting the results of its operations, financial position and future prospects.

Under the company's policy, assets in excess of SAR 500 are capitalized, but as of December 31, 2021G, there are some assets whose value is less than SAR 500, whereas there are some assets whose value is less than 130 Saudi riyals, such as cameras and shelves. In addition, the Company's management policy in depreciating intangible assets is over a period of (2.5) years at a rate of (40%), noting that according to the financial statements for the year 2021G, the intangibles assets are depreciated over a period of (5) years at a rate of (20%). The deviation of the company from its policy in capitalizing fixed assets and decrepitation of the intangible assets will impact negatively and substantially the financial position of the company and future prospects.

### **2.1.38 Risks related to consolidation of company operations data and strength of accounting system**

The Company manages its operations using accounting systems. During the three years prior to submitting the documents, the company moved to two different systems, in addition to the fact that the accounting programs of the company and its subsidiary are different and not integrated, which leads to the insufficient ability of the company to bring information for comparison. This would lead to a slowdown in the preparation of financial statements and an increase in the number of manual procedures prone to error and inaccurate data, and thus would affect the Company's results, financial position and future prospects.

### **2.1.39 Risks related to failure to record contracts electronically**

The Company Fifty-five(55)contracts as a tenant, of which Four (4) were electronically undocumented (refer to Subsection (2.12.10) "Leases" of Section (10) "Legal Information" in this prospectus). The Council of Ministers Decision No. (292) was issued on 16/05/1438H (corresponding to 13/02/2017G) which states that the unregistered lease contract at the electronic network is not considered a valid contract that produces its administrative and judicial effects, since the electronic network of rental services was launched in cooperation between the Ministries of Justice and Housing on 17/05/1439H. A Ministry of Justice circular was issued approving the application of this to all contracts concluded after 05/05/1440H (corresponding to 11/01/2019G). An electronic lease contract is an executive document and the parties may request its execution directly, even by compulsion, through the enforcement courts without the need for a lawsuit in the event that either party breaches its substantive obligations arising from the contract. Although the lessor is responsible for registration of the contract, in the absence of registration and a dispute between the parties, the company will not take advantage of benefits of the above-mentioned law and will have to follow the normal course of litigation with the consequent additional expenses. Thus, if exposed to such matter, the company may incur additional costs that would negatively and substantially affect the Company's results, financial position and future prospects.

### **2.1.40 Risks related to non-existence of internal audit management**

The company does not have an internal audit management until the date of this prospectus. One of the most important tasks of Internal Audit Department is to issue periodic reports to the Audit Committee, summarizing the results of all audit tasks, risk assessments and the company's internal control systems, which aim to confirm and alert against the most important risks immediately and implement corrective measures to mitigate the impact of such risks on the company. In the event that the Internal Audit Department is still not established or operationalized, the company will be exposed to operational, administrative, financial and control risks, which will have a negative impact on the company's business, results of its operations, financial position and future prospects.

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### 2.1.41 Risks related to non-compliance with franchise law

The Company has franchise contracts for use and operation of its "juice time" brand (refer to Subsection (4.12.10) "Material Contracts of the Company and its subsidiary" in this prospectus). The company did not comply with article 3 of the Executive Resolution of the franchise law issued by Royal Decree No. 122 dated 09/02/1441H (corresponding to 08/10/2019G), as it did not register any franchise contract with the competent authorities within 90 days of the date of the contract. The Company may be subject to statutory penalties whereas, a violation of any of the provisions of the Commercial Franchise Law and its Executive Regulations entails a fine not exceeding five hundred thousand (500,000) Saudi riyals, which will have a negative and material impact on the Company's financial operations results and future prospects.

### 2.1.42 Risks related to no provision for trade receivables

The Company failed to allocate a provision for trade receivables during the three years immediately preceding the date of submitting an application for registration and offering of securities subject to this Prospectus. Noting that the balance of trade receivables amounted to (4.1), (4.1) and (6.0) million Saudi riyals as on December 31, 2019G, 2020G and 2021G, respectively, which constituted (3.1%), (3.7%) and (6.0%) of the Company's total assets as on December 31, 2019G, 2020G and 2021G, respectively, and, constituted (4.3%), (4.3%) and (5.9%) of the Company's total sales as on December 31, 2019G, 2020G and 2021G, respectively. The aging of trade receivables for a period of more than 120 days constituted (26.0%) of the total trade receivables of the Development Works Company as on December 31, 2021G. While it constituted (14.6%) of the total trade receivables for Al-Feddan Fruits and Vegetables Company (a subsidiary Company) as on December 31, 2021G. Therefore, in the event that the commercial receivables are aged and obsolete with the Company's inability to collect them and the lack of provision for these receivables, this will lead the Company to write off these receivables and, thus, will affect negatively and materially the Company's profits, financial position, results of operations and future prospects.

### 2.1.43 Risks of Filing lawsuits against the Former Chairman of the Board

The Chairman of the Board of Directors has great responsibilities in activating the performance of the Board of Directors, developing its tasks, and taking all necessary measures to ensure that the Board carries out its responsibilities and performs its functions entrusted to it under the Companies Law and the Company's Articles of Association to the fullest extent in the interest of the Company and shareholders. The role of the chairman is represented in inviting the Board of Directors to convene and managing its sessions, as well as inviting the general assembly of shareholders to convene within the period specified in the Articles of Association, voting on the basic items stipulated by law, and continuously verifying the compliance of the company and the Board of Directors with the provisions of the companies' law, the Articles of Association, the Capital Market Authority Law and its executive regulations.





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During the previous years, the Former Chairman of the Board of Directors committed violations of the Companies Law, especially Paragraph (1) of Article (88) and Paragraph (1) of Article (90) thereof, as he did not fulfil his duty to call the (ordinary) General Assembly of Shareholders to convene for the financial year ending on 31/12/2018G during the statutory period (during the six months following the end of the Company's financial year), which made him accountable by the Capital Market Authority pursuant to the CMA's Board Resolution No. (3-11-2020) dated 03/06/1441H in his capacity as Chairman of the Board of Directors for the Food Business Development Company.

Violations committed by the chairman of the board of directors, which would harm the shareholders, gives the company the right to file a liability claim against the chairman of the board. Accordingly, every shareholder may file a liability claim for the Company against the members of the board of directors if the mistake they made would cause damage in accordance with the provisions of article (107) of the Companies Law, which makes the Chairman of the Board of Directors subject to the penalties stipulated in Article (262) of the Companies Law, where it is punished with a fine of no more than (500,000) Saudi riyals for causing delay for the invitation or convening the General Assembly. Violations committed by the board of directors or its chairman may expose the Company to the penalties stipulated in Article (59) of the Capital Market Law. These violations give the CMA the right to file a lawsuit before the Committee for the Resolution of Securities Disputes against anyone found to have committed, participated in, or attempted business or practices that constitute a violation of any of the provisions of this law, or the regulations or rules issued by the CMA, or the regulations of the market or the depository center or the clearing center to issue a decision with the appropriate penalty. This penalty may lead to the imposition of a fine of no more than five million (5,000,000) Saudi riyals, suspension of trading of the security, or any of the penalties stipulated in Article (59) of the CMA Law. Therefore, filing a liability lawsuit against the Chairman of the Board of Directors or the presence of lawsuits against him and administrative and regulatory abuses affect the company's reputation, the results of its operations, business and financial position. This may lead to the suspension of the trading of the Company's securities in accordance with the listing rules and procedures for suspending trading in listed securities, which may cause heavy losses to the Company.

## 2.2 Risks related to market and industry

### 2.2.1 Risks Related to the Economic Performance of the Kingdom

The Company's future performance depends on a number of factors related to the economic conditions in the Kingdom in general, including, but not limited to, inflation factors, GDP growth, average per capita income, and etc. The Kingdom's macro and partial economy depend mainly on oil and oil industries, which still control a large share of the GDP. Accordingly, any unfavorable fluctuations that occur in oil prices will have a direct and substantial impact on the plans and growth of the Kingdom's economy in general and on the government spending rates, which would adversely affect



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the Company's financial performance as its work within the Kingdom's economic system and its impact by the government spending rates.

The continued growth of the Kingdom's economy also depends on several other factors, including the continued growth of the population and investments of the public and private sectors in the infrastructure. Therefore, any negative change in any of these factors will have a significant impact on the economy and thus will adversely and substantially affect the Company's business, financial results and future prospects.

### 2.2.2 Risks related to political and economic instability in ME

Many countries in the Middle East suffer from political or security instability at the present time. There are no guarantees that the economic and political conditions in those countries or any other countries will not have a negative impact on the Kingdom's economy and thus on the Company's clients and operations. This will negatively and substantially affect the Company's business, results of operations, financial position and future prospects.

### 2.2.3 Risks Related to Companies Law and Corporate Governance Regulations

In its management and conduct of its business and its various activities, the company is subject to the provisions of the Companies Law issued by Royal Decree No. M/132 dated 01/12/1443 AH (corresponding to 06/30/2022 AD). The Authority's Board also issued the executive regulations for the companies' system for listed joint-stock companies issued by the Board of the Capital Market Authority pursuant to Decision No. (8-127-2016) dated 16/01/1438H (corresponding to 10/17/2016 AD) amended by the Authority's Board Decision No. (2 - 26-2023) dated 9/5/1444 AH (corresponding to 3/27/2023 AD), and in addition to that, the Authority's Board issued the Corporate Governance Regulations pursuant to Resolution No. (8-16-2017) and dated 5/16/1438 AH (corresponding to 2/13 /2017 AD) and amended by Capital Market Authority Board Resolution No. (8-5-2023) dated 06/25/1444 AH (corresponding to 01/18/2023 AD). The Companies Law and the Corporate Governance Regulations impose requirements related to organization and corporate governance, which the company must comply with. The Companies Law also imposed stricter penalties for violating its provisions and rules, which are mandatory for all companies, and therefore it is possible for the company or members of its board of directors or executive management to be exposed to such penalties as financial fines, imprisonment, or both (for example, the text of the Companies Law However, every director, official, board member, auditor or liquidator who records false or misleading data shall be punished with imprisonment for a period not exceeding 5 years and a fine not exceeding five million Saudi riyals) in the event of non-compliance with these provisions and rules. It should be noted that the company, as at the date of this Prospectus, is committed to all the articles of the Companies Law and all the mandatory articles of the Corporate Governance Regulations issued by the Authority, with the exception of what was clarified in Subsection (5.11.10) "Continuing Obligations According to the Requirements of the Capital Market Authority" of Section (10) Legal Information" in this prospectus. In addition, the company has not committed itself, as of the date of this prospectus, to amending Article (51) "Liability Claim" of the company's articles of association in line with the companies' law and the amendments that occurred



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to it, as the companies' law allowed the company to bear the expenses incurred by the shareholder. To file a lawsuit against the company, whatever its outcome, in accordance with the conditions set by the Companies Law, and since stipulating these amendments in the Articles of Association and informing the shareholders of them achieves an interest for the shareholders, and not stipulating them in the Articles of Association constitutes suspicion that the company does not wish to inform them of this matter, and therefore it is considered a violation of the Companies Law. This will expose the company to the application of the provision of Article 262 of the Companies Law and impose a fine on the company not exceeding 500 thousand Saudi riyals if any of the shareholders submits a complaint against the company for non-implementation of the regulations and decisions related to the work of the company. In addition to its non-compliance with Articles (27 and 71) of the Companies Law, which stipulate that the approval of the Ordinary General Assembly must be obtained for all business and contracts with related parties in advance, and any interest in the business and contracts must be disclosed, and accordingly the company may be exposed to the risk of objection in such dealings. Or annul it and file lawsuits against the company and its board of directors. In the event that the company fails to comply with all the articles of the Companies Law and all the mandatory articles in the Corporate Governance Regulations in the future, or if some or all of the guiding articles in the Corporate Governance Regulations become mandatory, and the company does not implement and adhere to them, this will expose it to statutory penalties and fines as described above. Which will have a negative and material impact on the company's business, results of operations, financial condition and future prospects.

### **2.2.4 Risks Related to Non-compliance with Existing Laws and regulations and/or Issuance of New Laws and Regulations**

The Company is subject to the supervision of a number of government agencies in the Kingdom. IN 2019G, the Company incurred a fine of SAR (10,000) ten thousand for breaching article 65 of the Rules on Securities Offering and Continuing Obligations for failing to provide the Authority and disclosing to the shareholders the report of its Board of Directors for the fiscal year ending 31/12/2018G during the specified statutory period. The Company did not disclose this until 29/04/2019G. Therefore, the Company is subject to the risks of changes in the laws, regulations, circulars and policies in the Kingdom. The costs of complying with these regulations are high. In the event of changes to the existing laws or regulations or the issuance of new laws or regulations, this will lead to the Company incurring additional unexpected financial expenses for the purposes of complying with those regulations and meeting the requirements of these laws, or it may be subject to penalties and fines imposed by the competent supervisory authorities in the event of non-compliance with these regulations and systems on an ongoing basis. This will adversely affect the Company's business, results of operations, financial position and future prospects.

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### 2.2.5 Risks Related to the Competitive Environment

The competitive position of the Company depends on many factors, including the strength of its financial position, the geographical scope of its business and its reputation. There is no guarantee that the Company will continue to compete effectively with other companies in the market that operate in the same business sectors. The pricing policies of the Company's competitors greatly affect its financial performance, and there is no guarantee that the Company will be constantly able to compete with these companies, which leads to a reduction in the Company's market share and thus negatively and substantially affect its business, financial results and future prospects.

### 2.2.6 Risks Related to Value Added Tax (VAT)

The Kingdom issued a VAT law, which came into effect on January 01, 2018G. This law imposes an added value of (5%) on a number of products and services. The Saudi government decided to increase the VAT rate from (5%) to (15%), which began to be applied on July 01, 2020G. Accordingly, the Company must adapt to the changes resulting from the application of the VAT and the increase thereto. However, any violation or wrong application of the tax system by the Company's management will expose them to fines, penalties or damage to their reputation. This will also increase costs and operating expenses, which could reduce the competitive position of the Company and the level of demand for its products, which will have a negative and material impact on the Company's financial position, results of operations and future prospects.

### 2.2.7 Risks related to consumer spending due to poor economic conditions

Fluctuations may affect economic elements beyond the company's control, including consumer borrowing ability, interest rates, unemployment rates, salary and tax levels (as VAT which increased from 5% to 15%, starting July 01, 2020G), the costs of water and electricity consumption, and the abolition of Saudi government subsidies - both in full and in part - for certain items, which in turn adversely affect the level of disposable income and consumer spending levels (including optional spending on various products) This negatively impacts demand for the company's products. Any decline in consumer numbers or their spending levels will negatively and substantially impact the Company's business, results of operations, financial position and future prospects.

### 2.2.8 Risks related to energy, electricity, water products and related services

The Company's operational processes depend on the availability of energy, electricity, and water products, so any interruption or reduction in the supply of such products or any increase in their prices would greatly affect the volume of production and the degree of profitability of the Company, which will lead to a reduction in its profit margins and thus negatively affect its business, financial position, results of operations and future prospects.



## 2.3 Risks Related to Offered Securities

### 2.3.1 Risks related to potential fluctuations in the rights' price

The market price of Rights may be subject to significant fluctuations due to the change in the factors affecting the Company's share. This fluctuation may be largely due to the difference between the allowed daily fluctuation percentage of the shares traded in the main market (which is represented by 10% up and down from the closing price of the previous day) for rights compared to the daily allowed fluctuation percentage for the Company's shares. The Rights trading price depends on the trading price of the Company's shares and the market's view of the fair Rights price. These factors may adversely affect the Rights trading price.

### 2.3.2 Risks related to potential fluctuations in the share price

The market price of the rights issued during the trading period may not be an indication of the market price of the Company's shares after the offering. In addition, the Company's share price may not be stable and may be affected significantly due to fluctuations resulting from market conditions related to the Company's current rights issue or shares. These fluctuations may also result from many factors, including but not limited to: stock market conditions, the poor performance of the Company, inability to implement the Company's future plans, entry of new competitors to the market, change in the vision or estimates of experts and analysts of the stock market, and any announcement of the Company or any of its competitors relating to mergers and acquisitions or strategic alliances.

The sale of large quantities of shares by the shareholders or the belief that such a sale is likely to occur will negatively affect the price of the Company's shares in the market. In addition, shareholders may not be able to sell their shares in the market without negatively affecting the share price. There is no guarantee that the market price of the Company's shares will not be lower than the offering price, and if such occur after investors have subscribed to the new shares, the subscription cannot be canceled or modified. Therefore, investors may incur losses as a result. In addition to the above, there is no guarantee that the shareholder will be able to sell his shares at a price equal to or greater than the offer price after subscribing to the new shares.

### 2.3.3 Risks related to non-profitability or selling of the rights

There is no guarantee of profitability per share by trading it at a higher price. In addition, there is no guarantee that it can be sold at all, which indicates that there is no guarantee of sufficient demand in the market to exercise the rights issue or receive compensation from the Company, bearing in mind that the investor who did not subscribe or sell his rights, and the owners of fractional shares, may not obtain any consideration if the sale took place during the remaining offering period at the offering price.



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### 2.3.4 Risks related to future data

The future results and performance data of the Company cannot be actually predicted and may differ from what is contained herein. As the achievements and ability of the Company to develop are what determine the actual results, which cannot be expected or determined. The inaccuracy of the data and results is considered one of the risks that the shareholder shall know so as not to affect his/her investment decision. Whereas, in the event that the future results and performance data are fundamentally different from those mentioned herein, such will lead to the loss of part or all of the shareholders' investment in the Company's shares.

### 2.3.5 Risks related to the possibility of issuing new shares

The issuance of any new shares by the Company depends on the approval of the Extraordinary General Assembly of the shareholders. In the event that the Company decides to issue new shares as rights issue to increase its capital, and the shareholders' EGM approved this decision, and the shareholders have not exercised their rights by subscribing to the new shares, or, if it decided to increase the capital with the suspension of the priority right, the ownership of the shares will decrease proportionately in addition to its attachments from the right to vote and obtain profits, which will affect the share's market price.

### 2.3.6 Risks related to lack of demand for the company's rights and shares

There is no guarantee that there will be sufficient demand for the rights issue during the trading period, to enable the rights issue holder (whether a registered shareholder or a new investor) to sell the rights issue and make a profit out of it, or to enable him to sell the rights issue at all. Moreover, there is no guarantee that there will be sufficient demand for the Company's shares by institutional investors during the Rump offering period. In the event that the investment institutions did not submit offers for the remaining shares at a high price, there may not be sufficient compensation to be distributed to the holders of the rights issue who did not exercise their right to subscribe, or to the holders of fractional shares. Moreover, there is no guarantee that there will be sufficient demand in the market for the shares obtained by a subscriber either through the exercise of the rights for these shares, through the residual offering or through the open market.

### 2.3.7 Risks related to ownership ratios' decline

If the rights holders do not fully subscribe to the new shares, their ownership and voting rights will be reduced. Also, there is no guarantee in the event that the restricted rights holder wishes to sell his priority rights during the trading period, that the return he receives will be sufficient to fully compensate him for the decrease in his ownership percentage in the Company's capital as a result of the increase in its capital. There is as well no guarantee that there will be a compensation amount distributed to the eligible shareholders who did not exercise their right to subscribe or to the owners of fractional shares in the event that the investment institutions did not submit offers for the remaining shares at a high price during the remaining offering period, or that the amount of



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compensation (if any) sufficient to compensate the decrease in the percentage of ownership in the capital of the Company.

### 2.3.8 Risks related to non-exercising the rights in a timely manner

Subscription Period will start on .../.../...H (corresponding to .../.../...G) and end on .../.../...H (corresponding to .../.../...G). Rights holders and the financial intermediaries they represent shall take appropriate measures to follow all necessary instructions prior to the expiry of the subscription period. If eligible shareholders fail to properly exercise the subscription rights by the end of the subscription period, based on their rights issue, there is no guarantee that there will be an amount of compensation distributed to the non-participants eligible shareholders or who did not exercise the subscription properly or to the holders of fractions shares.

### 2.3.9 Risks related to dividends to shareholders

Future earnings per share depend on a number of factors, including the Company's profitability, maintaining its good financial position, capital needs and distributable reserves, the Company's available credit strength, and general economic conditions. An increase in the Company's capital may lead to a decrease in the earnings per share in the future on the grounds that the Company's profits will be distributed to a larger number of shares as a result of the increase in its capital. The Company does not guarantee that any dividends on the shares will be actually distributed, nor does it guarantee the amount that will be distributed in any particular year. Dividend distribution is subject to certain restrictions and conditions stipulated in the Company's Articles of Association.

### 2.3.10 Risks related to speculation in rights issue

Speculation in the Rights is subject to risks that could cause material losses. The permissible daily fluctuation range for the priority Rights trading price exceeds the permissible daily fluctuation range for the market price (which is represented by (10%) up and down from the previous day's closing price). There is also a direct relationship between the Company's share price and the right's indicative value. Accordingly, the daily price limits (i.e., the daily fluctuation range) for Rights trading will be affected by the daily price limits for stock trading. In the event that the shareholder does not sell the Rights before the end of the Trading Period, then he will have two options either to exercise these Rights to subscribe to the New Shares before the end of the Subscription Period, or not to exercise. In the event that the Rights are not exercised, the investor may be subject to a loss or decrease in the value of his investment portfolio, or a profit in the event that shares are sold during the rump period at a price higher than the Offering Price. Therefore, investors should review the full details of the listing and trading mechanism of new Rights and shares and how they operate, and should be familiar with all the factors affecting them, in order to ensure that any investment decision is based on full knowledge and awareness. (Please refer to Section (13) -"Details on Shares and Offering Terms and Condition" of this Prospectus).



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### **2.3.11 Risks of suspending trading or canceling the Company's shares as failure to publish its financial statements within the statutory period**

In the event that the issuer is unable to publish its financial information within the statutory period (30 days from the end of the financial period for the initial financial statements, and three months from the end of the financial period for the annual financial statements), the procedures for suspending the listed securities shall be applied in accordance with the listing rules approved by the decision of the Board of the Capital Market Authority No. (3-123-2017) dated 09/04/1439H (corresponding to 27/12/2017G) and amended by Resolution No. (1-108-2022) dated 03/23/1444 AH (corresponding to 10/19/2022 AD), which stipulates that the market suspends trading of securities for a period of one trading session following the expiry of the statutory period. In the event that the financial information is not published within twenty trading sessions following the first suspended trading session, Tadawul shall announce the re-suspension of the Company's securities until it announces its financial results. In the event that the suspension of trading the Company's shares continues for a period of six months without the Company taking the appropriate measures to correct that suspension, CMA may cancel the listing of the Company's securities. The financial market lifts the suspension after one trading session following the announcement of the Company's financial results. In the event that the Company being late in announcing its financial results, or if it being unable to publish them within the statutory period referred to above, such will cause the Company's shares to be suspended or canceled from the listing, which will negatively and fundamentally affect the interest of the Company's shareholders, the Company's reputation and the results of its operations. In addition, the Capital Market Authority may cancel the offering of the Company's rights issue shares in the event that it deems that the offering may not be in the interest of the shareholders.



### 3. Overview of the Company and Nature of its Business

#### 3.1 Company Overview

Development Works Food Company ("Company" or "Issuer") is firstly incorporated as a limited liability company under the name of "Qoot for Food and Restaurant Developments" under a memorandum of association dated 25/06/1431H (corresponding to 08/06/2010G), and registered under CR No. (1010290779), dated 16/07/1431H (corresponding to 28/06/2010G), issued in the City of Riyadh. On 03/01/1435H (corresponding to 06/11/2013G), the Company's name was changed from "Qoot for developing food and restaurants" to "Development Works Food Company". On 25/01/1438H (corresponding to 26/10/2016G), the Company's legal status was changed from a limited liability company to a closed joint-stock company under Ministerial Resolution No. (S/19). On 29/05/1438H (corresponding to 26/02/2017G), the Company's whole shares were listed in Nomu-Parallel Market and the Company was transformed into a Saudi Joint-Stock Company. On 18/04/1443H (corresponding to 23/11/2021G), the Company was transferred, listed and its whole shares were traded in the main Saudi Stock Exchange.

The headquarters of the Company is located in the City of Riyadh, Alyarmouk District, Damam Highway, Postal Code 13243, P.O. Box: 7830, KSA.

As of the date of this Prospectus, the Company's current capital is thirty million (30,000,000) Saudi riyals, divided into three million (3,000,000) ordinary shares, the value of each is ten (10) Saudi riyals and they are fully paid.

#### 3.2 Substantial Shareholders in the Company;

There are no substantial shareholders in the company (who own 5% or more of the Company's shares) as on the date of this Prospectus.

#### 3.3 Company's history and most significant developments in its capital structure

- Development Works Food Company (the "Company") was initially incorporated as a limited liability company under the name of "Qoot for developing food and restaurants" under the Memorandum of Association dated 25/06/1431H (corresponding to 08/06/2010G), which is proven by the Notary Public under Gazette No. (56), Vol. (286), Issue (1984) for 1431H, dated 01/07/1431H (corresponding to 13/06/2010G). It was registered in Commercial Register No. (1010290779), dated 16/07/1431H (corresponding to 28/06/2010G) issued in the City of Riyadh, with a capital of one hundred thousand (100,000) Saudi Riyals; divided into (100) one hundred equal cash shares, the value of each is (1,000) one thousand Saudi Riyals.
- On 11/11/1434 H (corresponding to 17/09/2013G), the shareholders decided to change the name of the Company from "Qoot for developing food and restaurants" to "Development Works Food Company", which is proven by the Notary Public on 03/01/1435 H (corresponding to 06/11/2013G).
- On 24/01/1438H corresponding to (25/10/2016G), the partners decided to transform the Company's legal status from a limited liability company to a closed joint-stock company, and to



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increase its capital from one hundred thousand (100,000) Saudi riyals to twelve million five hundred thousand (12,500,000) Saudi riyals; divided into one million two hundred fifty thousand (1,250,000) ordinary shares with a nominal value of (10) ten Saudi riyals per share. The increase amount of twelve million four hundred thousand (12,400,000) Saudi riyals were paid by transferring the amount of eleven million (11,000,000) Saudi riyals from the retained profits account and transferring one million four hundred thousand (1,400,000) Saudi riyals from the shareholders' current account.

- On 25/01/1438H (corresponding to 26/10/2016G), Ministerial Decision No. (S/19) was issued approving the license to transform the Company from a limited liability company to a closed joint-stock company, and the Company was registered in the Joint Stock Companies Register in Riyadh with the same name, number and date of the Company's commercial register before the transformation.
- On 28/02/1438H (corresponding to 28/11/2016G), the Board of Directors of the Company decided to offer two hundred fifty thousand (250,000) shares representing (20%) of the Company's shares, and to register and list on Nomu-Parallel Market, after obtaining the approval of both the Capital Market Authority (CMA) and the Saudi Capital Market (Tadawul).
- On 29/05/1438H (corresponding to 26/02/2017G), the Company's whole shares were listed in Nomu-Parallel Market amounting one million two hundred fifty thousand (1,250,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share, and the Company was transformed into a Saudi Joint-Stock Company after obtaining the approval of the Capital Market Authority (CMA) and Saudi Stock Exchange (Tadawul).
- On 10/01/1441H (corresponding to 09/09/2019G), the Extraordinary General Assembly agreed to increase the Company's capital by (100%) from twelve million five hundred thousand (12,500,000) Saudi riyals to twenty-five million (25,000,000) Saudi riyals. The amount of increase in capital was paid through capitalization of twelve million five hundred (12,500,000) Saudi riyals from the retained profits account. One million two hundred fifty thousand (1,250,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share were issued as bonus shares at one bonus shares per each issued share.
- On 09/02/1443H (corresponding to 16/09/2021G), the Extraordinary General Assembly agreed to increase the Company's capital by (20%) from twenty-five million (25,000,000) Saudi riyals to thirty million (30,000,000) Saudi riyals. The amount of increase in capital was paid through capitalization of one million nine hundred twenty-three thousand eight hundred seventy-two (1,923,872) Saudi riyals from the statutory reserve account as well as capitalization of three million seventy-six thousand one hundred twenty-eight (3,076,128) Saudi riyals from the retained profits account. five hundred thousand (500,000) ordinary shares with a nominal value of ten (10) Saudi Riyals per share were issued as bonus shares at one bonus shares per each five issued shares.
- On 18/04/1443H (corresponding to 23/11/2021G), the Company was transferred, listed and its whole shares were traded in the main Saudi Stock Exchange at three million (3,000,000) ordinary shares

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with a nominal value of ten (10) Saudi Riyals per share after obtaining the approval of the Capital Market Authority (CMA) and Saudi Stock Exchange (Tadawul)

- On 05/05/1443H (corresponding to 09/12/2021G), the Company's Board of Directors recommended increasing the Company's capital at (720%), i.e., from thirty million (30,000,000) Saudi riyals to two hundred forty-six million (246,000,000) Saudi riyals; thus an increase in the shares from three million (3,000,000) ordinary shares to twenty-four million six hundred thousand (24,600,000) ordinary shares, by issuing Rights shares at twenty-one million six hundred thousand (21,600,000) new ordinary shares in the value of two hundred sixteen million (216,000,000) Saudi riyals after obtaining all required legal approvals as well as the Extraordinary General Assembly's approval.
- On xx/xx/xxxxH (corresponding to xx/xx/xxxxG), the Extraordinary General Assembly agreed to increase the Company's capital at (720%), i.e., from thirty million (30,000,000) Saudi riyals to two hundred forty-six million (246,000,000) Saudi riyals; thus an increase in the shares from three million (3,000,000) ordinary shares to twenty-four million six hundred thousand (24,600,000) ordinary shares, by issuing Rights shares at twenty-one million six hundred thousand (21,600,000) new ordinary shares in the value of two hundred sixteen million (216,000,000) Saudi riyals.

### 3.4 Company's Key Activities

The Company practices its business under CR No. (1010290779), dated 16/07/1431H (corresponding to 28/06/2010G).

- According to the commercial register, the Company's business includes the following:
  1. Restaurants with catering services.
  2. Beverage shops (coffee shops).
  3. Provision of fresh juices and cold drinks.
- The Company's activities set in the Articles of Association include practicing the and attaining the following objectives:
  1. Cultivation and fishing.
  2. Mines, petrol and their products.
  3. Manufacturing and its products according to industrial licenses.
  4. Electricity, gas, water and their products.
  5. Construction and building.
  6. Transportation, storage and cooling.
  7. Money, business and other services.
  8. Social, group and personal services.
  9. Trade.
  10. Information Technology.
  11. Security and safety.
  12. Restaurant and coffee establishment and operation.

The Company practices its business according to the applicable laws and after obtaining the licenses required from the competent authorities if any.



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The Company's actual business is represented in the production of fresh juices through its brand "Juice Time" plus the provision of fast foods through the restaurant chain under the brand "Quiznos Sub", for which the Company has the franchise.

### 3.5 Vision

To be the leading company and the first choice for lovers of restaurants and fresh fast food.

### 3.6 Message

Seek to achieve the Shareholders' aspirations, provide the best service to customers and launch new ideas and products being one of the first companies in providing fresh juices of high quality and value.

### 3.7 Company Strategy

- Expand the Company's branches.
- Establish a plant for the packaging and production of fresh juices.
- Expand and engage in a number of activities that are in line with the Company's strategy and achieve rewarding returns.
- Work to promote the health of the community through the provision of healthy and natural products and the preservation of the environment.
- Work to achieve the highest quality standards.
- Maintain the quality of products to achieve customer satisfaction and meet their desires.

### 3.8 Strengths and Competitive Advantages of the Company

- Be present and spread in all regions of the KSA.
- Offer fresh, varied and high-quality juices.
- Gain fame in the market through its brand "Juice Time".
- Focus on customer satisfaction by providing high quality products.
- Senior management and highly qualified and competent staff.

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### 3.9 Subsidiaries

The Company has one (01) subsidiary, which is considered essential subsidiary. The table below shows the data of the subsidiary. (Please refer to Subsection (10.10) "Subsidiaries" of Section (10) "Legal Information" of this Prospectus).

Table No (3): Subsidiaries.

| No | Company name                              | legal status | Capital (SAR) | Place of incorporation | Headquarters |        | Activity                                 | Ownership % |
|----|---|--------------|---------------|------------------------|--------------|--------|--|-------------|
|    |   |              |               |                        | Country      | City   |  |             |
| 1  | Al Faddan Company for Fruits & Vegetables | LLC          | 500,000       | KSA                    | KSA          | Riyadh | Import and sale of vegetables and fruits | 70%         |

Source: The Company

As of the date of this Prospectus, the subsidiary company is working on applying the accounting program (ERP) to match the accounting system of the parent company to ensure better standardization of the financial statements and not to delay in publishing the financial statements. The program is expected to be activated during the third quarter of the year 2023 AD.

### 3.10 Investee Companies

The following table shows the companies where the company invests in:

Table No. (4): Investee Companies

| No | Company name                      | legal status | Capital (SAR) | Place of incorporation | Headquarters |         | Activity                                 | Ownership % |
|----|-----------------------------------|--------------|---------------|------------------------|--------------|---------|--|-------------|
|    |                                   |              |               |                        | Country      | Country |  |             |
| 1  | Ajdan & fruits vegetables Company | LLC          | 500,000       | KSA                    | KSA          | Riyadh  | Import and sale of vegetables and fruits | 35%         |

Source: The Company

### 3.11 Business interruption

There was no disruption in the Company's business or any of its subsidiaries that may impact or has significantly impacted the financial condition during the last twelve (12) months.

### 3.12 Employees and Saudization

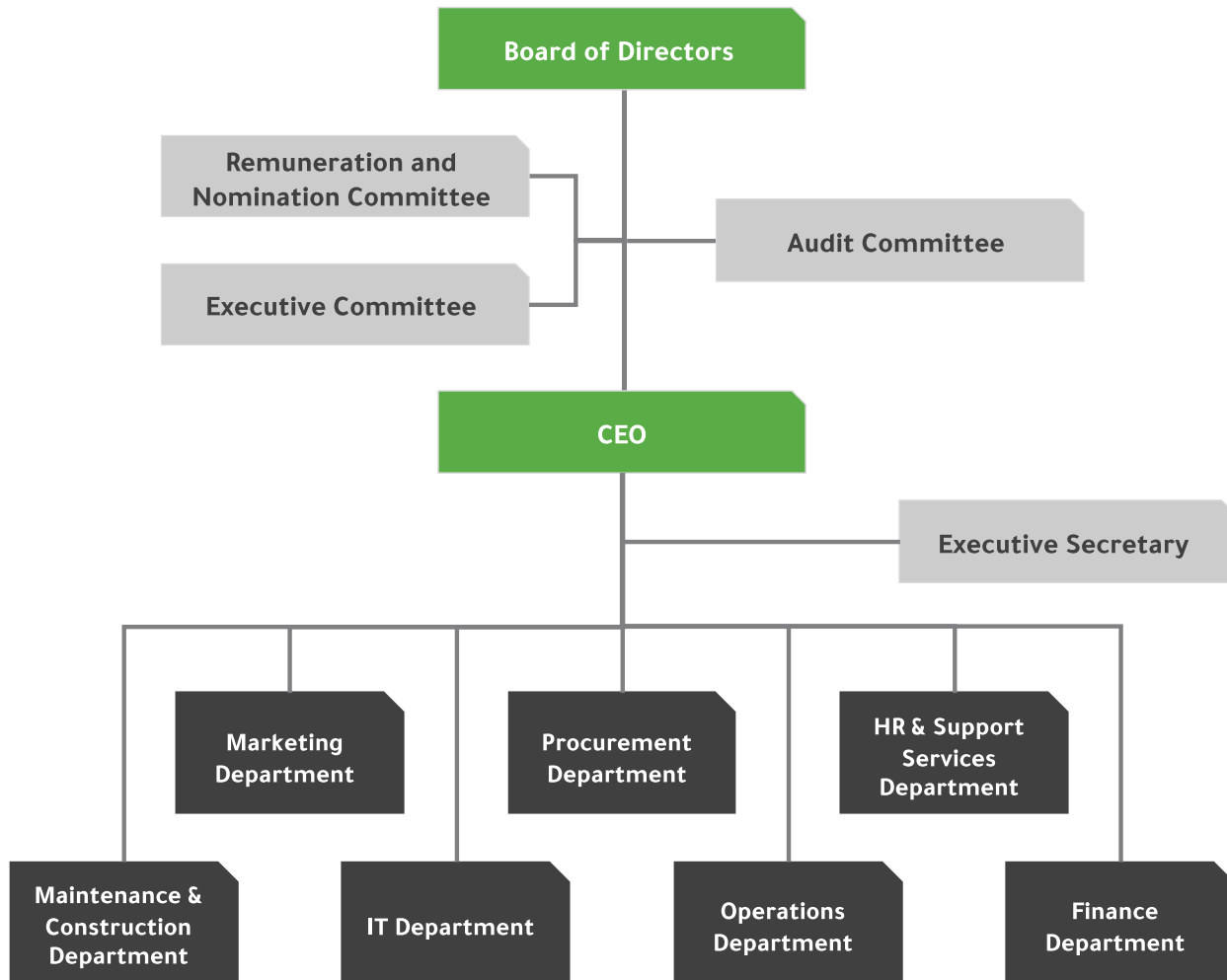
As at the date of this Prospectus, number of the company's employees reached (683), including (171) Saudi employees and (512) non-Saudi employees, According to the Nitaqat program for Saudization, the percentage of Saudization has reached (28.81%), and the company is currently classified under the "high green" range (mid category C).

## 4. Organizational structure of the Company

### 4.1 Organizational structure

The following figure shows the Company's organizational structure:

Figure No. (2): Organizational structure of the Company.



Source: The Company



## 4.2 Board of Directors

The following table shows the members of the company's board of directors:

Table No. (5): Members of Board of Directors.

| Board Members   |                     |                               |             |     |               |   |                 |   |
|---|---------------------|-------------------------------|-------------|-----|---------------|---|-----------------|---|
| * The Company's Board of Directors appointed on 09/02/1443H (16/09/2021G) |                     |                               |             |     |               |   |                 |   |
| Name  | Position            | Membership status             | Nationality | Age | Owned Shares  |   |                 |   |
|   |                     |                               |             |     | Direct Number | % | Indirect Number | % |
| Anas Salih Alamoud **   | Chairman            | Non-Independent Non-Executive | Saudi       | 38  | -             | - | -               | - |
| Hisham Abdelrahman Muhammad bin Mogren**                                  | Vice-Chairman & CEO | Independent Non-Executive     | Saudi       | 50  | -             | - | -               | - |
| Ibrahim Nasir Mohammed Alshimimri   | Director            | independent Non-executive     | Saudi       | 47  | -             | - | -               | - |
| Yazeed Khalid Zaid Altamimi   | Director            | independent Non-executive     | Saudi       | 24  | -             | - | -               | - |
| Bashar Abdelaziz Salih Aba Alkhail ***                                    | Director            | independent Non-executive     | Saudi       | 46  | -             | - | -               | - |
| Abdellah Khalid Saad Alfadli ***  | Director            | independent Non-executive     | Saudi       | 25  | -             | - | -               | - |

Source: The Company

\* The EGM, in its meeting held on 09/02/1443H (corresponding to 16/09/2021G), agreed to elect the mentioned-above members of the Board of Directors for the current session, which started on 24/03/1443H (corresponding to 30/10/2021G) for a period of three years ending on 26/04/1446H (corresponding to 29/10/2024G).

\*\* In its assembly held on 25/03/1443H (corresponding to 31/10/2021G), the Company's Board of Directors resolved to appoint Mr. Ashry Saad Alashry as the Chairman and Mr. Anas Salih Alamoud as Vice-Chairman for the current session, which expires on 26/04/1446H (corresponding to 29/10/2024G). On 21/12/1444 AH (corresponding to 09/07/2023 AD), the Board of Directors approved the resignation of the Chairman of the Board of Directors, Mr. Ashry Saad Mizal Al-Ashry due to his special circumstances, and the appointment of Mr. Anas Saleh Ibrahim Al-Amoud as Chairman of the Board of Directors for the current term of the Board of Directors, which ends on the 26/04/1446 AH (corresponding to 29/10/2024 AD), and on 28/12/1444 AH (corresponding to 16/07/2023 AD), the Board of Directors decided to appoint a new member in the vacant position in the Board of Directors, Mr. Hisham Abdul Rahman Muhammad bin Muqrin, and appointed him as Vice Chairman The Board of Directors for the current term of the Board of Directors, which ends on 26/04/1446 AH (corresponding to 29/10/2024 AD).

\*\*\* On 17/11/1443H (corresponding to 16/06/2022G), the EGM agreed to appoint the director Mr. Bashar Abdulaziz Saleh Aba Al-Khail to replace director Mr. Abdul Rahman Nasser Zayed Al-Asmari who has resigned and appoint Mr. Abdullah Khaled Saad Al-Fadhli as a new director. Thus, a total of the Board of Directors become six members until the end of the current board session, which ends on 26/04/1446H (corresponding to 29/10/2024G).

### 4.3 Company Committees

The following is a description of the company's committees, their responsibilities and current members of each committee:

#### 4.3.1 Audit Committee

The Ordinary General Assembly, in its meeting held on 09/02/1443H (corresponding to 16/09/2021G), approved the formation of the Audit Committee, determining its tasks, rules of its work, remuneration of its members, and the term of their membership for the new term, which commencing on 24/03/1443H (corresponding to 30/10/2021G) and ends on 26/04/1446H (corresponding to 29/10/2024G). The following table shows the members of the Audit Committee:

Table No .(6) :Members of the Audit Committee.

| Name                              | Position                  |
|-----------------------------------|---------------------------|
| Musa Abdullah Ali Al-Fawzan       | Chairman of the Committee |
| Abdulaziz Mohammed Aba Btain*     | Committee member          |
| Omar Muhammad Abdullah Al-Manea** | Committee member          |

Source: The Company

\* The Board of Directors decided to appoint Mr. Abdulaziz Muhammad Ababtain on 05/11/1444 AH (corresponding to 12/05/2022 AD) to replace the resigned member Mr. Hassan Omar Ali Bakhmis, and this decision will be presented to the nearest general assembly.

\* The Board of Directors decided to appoint Mr. Anas Saleh Ibrahim Al-Amoud on 03/27/1443 AH (corresponding to 11/02/2021 AD), and the Extraordinary General Assembly held on 11/17/1443 AH (corresponding to 06/16/2022 AD) approved this decision. On 01/02/1445 AH (corresponding to 07/20/2023 AD), the Board of Directors decided to approve his resignation and appoint a new member, Mr. Omar Muhammad Abdullah Al-Manea, and this decision will be presented to the nearest general assembly.

#### Summary of Audit Committee's Roles and Responsibilities

The main purpose of the audit committee includes, without limitation, ensuring the adequacy of policies and procedures, the integrity of internal control and their suitability for financial accounting and reports, as well as ensuring the effectiveness of the role of internal and external audit on a continuous basis. The committee reviews the company's periodic and annual financial statements, and annual budgets and recommends the Board of Directors to approve them. The Audit Committee also presents its recommendations to the shareholders regarding the appointment of the external auditor to be selected and approved by shareholders. The Audit Committee supervises the internal audit in the company on a regular basis to ensure the efficiency and effectiveness of the internal control system in general and the fairness of financial statements in particular. It also continuously evaluates the internal control system and its effectiveness and deals with any critical observations in the context of the Board's objectives to obtain an assurance decision about the integrity and effectiveness of the design.



## Development Works Food Company

### 4.3.2 Remuneration and Nomination Committee

The Board, in its meeting held on 25/03/1443H (corresponding to 31/10/2021G), approved the formation of the Remuneration and Nomination Committee, determining its tasks, rules of its work, remuneration of its members, and the term of their membership for the new term, which ends on 26/04/1446H (corresponding to 29/10/2024G) On 02/01/1445 AH (corresponding to 20/07/2023 AD), the Board of Directors decided to reconfigure the Nominations and Remuneration Committee. The following table shows the members of the Remuneration and Nomination Committee:

Table No .(7) :Members of Remuneration and Nomination Committee

| Name                              | Position |
|-----------------------------------|----------|
| Yazeed Khalid Zaid Altamimi       | Chairman |
| Ibrahim Nasir Mohammed Alshimimri | Member   |
| Anas Salih Ibrahim Alamoud        | Member   |

Source: The Company

### Summary of Nomination and Remuneration Committee's Roles and Responsibilities

The main tasks of the Nomination and Remuneration Committee are summarized in defining the policies and criteria for nomination to board membership, and periodic review of the needs, capabilities and skills required for the Board, studying the strengths and weaknesses of the board, suggesting addressing the same, ensuring the independence of independent board members, and aspects of conflict of interest in the membership of Boards members of other companies, as well as studying or proposing policies for remuneration and rewards for the Board of Directors and Senior Executives.

### 4.3.3 Executive Committee

The Board, in its meeting held on 25/03/1443H (corresponding to 31/10/2021G), approved the formation of the Executive Committee, determining its tasks, rules of its work, remuneration of its members, and the term of their membership for the new term, which ends on 26/04/1446H (corresponding to 29/10/2024G). The following table shows the members of the Remuneration and Nomination Committee:

Table No .(8) :Members of Executive Committee.

| Name                                   | Position |
|--|----------|
| Anas Salih Ibrahim Alamoud             | Chairman |
| Hisham Abdelrahman Muhammad bin Mogren | Member   |
| Salah Mohammed Hasballah Shaheen       | Member   |

Source: The Company

## Development Works Food Company

### Summary of Executive Committee's Roles and Responsibilities

The committee is responsible for overseeing the implementation of strategic objectives, financial and operational priorities and long-term productivity assessment. Its tasks include reviewing the Company strategic planning procedures and processes in cooperation with the Executive Committee, ensuring the efficiency of procedures to implement strategic plans and review the distribution of company resources that aimed to achieve long-term objectives in accordance with strategic plans, reviewing, periodically, the operational objectives of the Company and its subsidiaries, reviewing the annual and long-term objectives & strategies and associated performance indicators, examining the financial matters of the Company and its subsidiaries relating to the Company's capital, cash flows, borrowing proposals and the Company's position on its financial obligations, reviewing and verifying capital expenditures with approved budgets, as well as examining strategic decisions regarding opportunities for the company aimed at improving product quality and rationalizing costs.

### 4.4 Executive Management

The table below shows the details of the Company's executive management:

Table No .(9) :Executive Management.

| Name                                   | Position                           | Nationality | Age | Appointment date | Owned shares * |            |
|--|------------------------------------|-------------|-----|------------------|----------------|------------|
|  |                                    |             |     |                  | Direct Number  | Percentage |
| Hisham Abdelrahman Muhammad bin Mogren | CEO                                | Saudi       | 50  | 7/6/2020G        | -              | -          |
| Salah Muhammad Hasaballah Shaheen      | CFO                                | Egyptian    | 62  | 1/6/2019G        | -              | -          |
| Fares Aql Ali Abu Hanoud               | Marketing Manager                  | Jordanian   | 30  | 20/03/2023G      | -              | -          |
| Karim Mohamed El Sayed Mohamed         | Operations Manager                 | Egyptian    | 34  | 12/5/2012G       | -              | -          |
| Al-Waleed Saud Al-Otaibi               | HR & Support Services manager      | Saudi       | 29  | 01/01/2023G      | -              | -          |
| Ashraf Tahil Yorth                     | Procurement Manager                | Indian      | 35  | 01/06/2023G      | -              | -          |
| Ahmed Ali Al-Muhajir Muhammad          | IT Manager                         | Saudi       | 34  | 01/12/2022G      | -              | -          |
| Mohammed Adnan Ahmed Al-Alewi          | Maintenance & Construction Manager | Syrian      | 36  | 22/06/2020G      | -              | -          |

Source: The Company

\* None of the executive management members have indirect ownership in the company as on the date of this Prospectus.



## Development Works Food Company

### 4.5 Compensation and Remuneration of Board Members and Senior Executives

The Nomination and Remuneration Committee is responsible for proposing compensation and bonuses to be paid to the Board Members and Senior Executives. The table below shows the salaries, bonuses, and allowances that Board Members and the Senior Executives received during the past three years:

Table No .(10) :Compensations and Remunerations of Board Members and Senior Executives.

| Description (SAR)                    | Financial year ending on December 31 |                  |                  |
|--------------------------------------|--------------------------------------|------------------|------------------|
|                                      | 2019G                                | 2020G            | 2021G            |
| Board Members                        | 249,500                              | 189,582          | 304,832          |
| Senior Executives (inc. CEO and CFO) | 1,379,160                            | 1,431,243        | 1,270,251        |
| <b>Total</b>                         | <b>1,628,660</b>                     | <b>1,620,825</b> | <b>1,575,083</b> |

Source: The Company



## 5. Employees

### 5.1 Current employee stock ownership programs before the application for registration and offering the rights subject to this Prospectus

As at the date of this Prospectus, the Company has no employee stock ownership program.

### 5.2 Arrangements granting employees a share in the Capital

As of the date of this Prospectus, there are no arrangements for granting employees a share in the capital.



## 6. Financial Information & Management's Discussion and Analysis

### 6.1 Introduction

The "Financial Information & Management's Discussion and Analysis" presents an analytical review of the operational performance and financial position of the Development Works Food Company (the "Company") during the financial years ending on December 31, 2019G, 2020G and 2021G (hereinafter referred to as "The Analysis Period") that must be read carefully in conjunction with the Company's audited financial statements. The financial information for the financial years ending on December 31, 2019G, 2020G and 2021G are available in accordance with the financial statements for the years of 2020G (including comparative figures for 2019G) and 2021G respectively. This information has not been substantially amended unless otherwise indicated.

The Company's audited financial statements for the year ended December 31, 2019G and the Company's consolidated audited financial statements for the years ended December 31, 2020G and 2021G, and the accompanying notes have been prepared in accordance with International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and other standards and editions issued by the Saudi Organization for Certified Public Accountants (SOCPA).

There is difference between the financial statements for 2019G mentioned in the audited financial statements of the company for the financial year ended December 31, 2019G and that contained in the audited consolidated financial statements of the company for the financial year ended December 31, 2020G. Thus, it was amended to conform to international financial reporting standards. Therefore, this prospectus is based on the amended financial statements for 2019G and incorporated into the audited consolidated financial statements of the company for the financial year ended December 31, 2020G for comparison.

Al Kharashi & Co Certified Accountants and Auditors conducted an audit of the consolidated financial statements of the Company and its subsidiary for the years ended December 31, 2019G and 2020G. Dr. Abdelgadir Bannaga & Partners Co (RSM Allied Accountants) audited the Company's financial statements for the year ended December 31, 2020G. Neither Certified Accountants nor any of their sister companies have any stake or interest of any kind in the Company as of this Prospectus date. The above Certified Accountants have provided their written consent to use of their names, logos and statements which were not withdrawn as of this Prospectus date in connection with the reference in the prospectus as auditors of the company for the financial years ending on December 31, 2019G, 2020G and 2021G.

It is to be noted that the numbers shown in the tables of this section are in SAR, unless otherwise stated. Percentages are rounded to the nearest decimal point. Therefore, calculating the percentage



increase/decrease using the numbers in the tables (shown in rials million and rounded to the nearest integer) may not fully match the percentages mentioned in the tables.

This section may include hypothetical data regarding the future expectations of the Company based on the current plans and expectations of management regarding the growth of the Company, results of operations and financial position, and therefore may involve risks and uncertain probabilities. The Company's actual results may differ materially from those stated explicitly or implicitly in these hypothetical data as a result of various factors and future events, including that discussion below and in other places within this Prospectus, particularly in Section No. (2) "Risk Factors" of this Prospectus.

## 6.2 Directors' Declarations Regarding the Financial Statements

The Company's directors, to the best of their knowledge and belief, declare the following:

1. All substantive facts relating to the Company, its subsidiary and its financial performance have been disclosed in this Prospectus, and there is no information, documents or other facts that, if not omitted, the statements contained in this Prospectus will become misleading.
2. The financial information contained in this prospectus was extracted from the company's audited consolidated financial statements for the years ended December 31, 2020G (including comparative figures for 2019G) and 2021G and the accompanying notes without making any material modification, and that they include financial information presented on a consolidated basis in a form consistent with the financial statements that It is approved by the company annually in accordance with the International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and other standards and editions approved by the Saudi Organization for Auditors and Accountants (SOCPA).
3. Except as disclosed in this Prospectus and notwithstanding that the company incurred losses during the year ended December 31, 2020G, there was no material negative change in the financial and commercial position of the company and its subsidiary during the three financial years ending on December 31, 2019G and 2020G and 2021G, immediately preceding the date of submitting an application for registration and offering of securities subject to this prospectus, in addition to the end of the period covered by the auditor's report until the Prospectus was approved.
4. Except as disclosed in Subsection (17.6.6) "Loans and Credit Facilities" and Subsection (19.6.6) "Finance Lease Contracts Liabilities" of this Section as well as Subsection (10.12.3) "Loans and Credit Facilities" of Section (10) "Legal Information" of this Prospectus, the Company has no other loans or debts including overdrafts from bank accounts, and also declare that there are no security obligations (including personal, unsecured, mortgaged or unsecured) commitments under acceptance, acceptance credit, lease purchase commitments, or any issued and existing debt instruments or debt instruments approved and not are issued, or term loans.



5. Except as disclosed in Subsection (17.6.6) "Loans and Credit Facilities" and Subsection (19.6.6) "Finance Lease Contracts Liabilities" of this Section as well as Subsection (10.12.3) "Loans and Credit Facilities" of Section (10) "Legal Information" of this Prospectus, that -to the best of their knowledge- there are no liens, rights, or any encumbrances or costs on the property of the Company and its subsidiary as on the date of this Prospectus.
6. No commissions, discounts, brokerage fees or non-cash compensation were granted by the Company and its subsidiary to any of the Board of Directors, or Senior Executives, or those who offer or offer securities or experts during the three years immediately preceding the date of submitting an application for issuing the priority rights subject to this Prospectus.
7. The Company and its subsidiary do not own any holdings in contractual securities or other assets whose value is subject to fluctuations or whose value is difficult to ascertain, which greatly affects the assessment of the financial position.
8. Other than as disclosed in Subsection (2.6.6) "Property, Plant and Equipment" and Subsection (4.7.6) "Commitments and Contingent Liabilities" in this section, the Company and its subsidiary have no contingent liabilities, guarantees, or any significant fixed assets to be purchased or leased.
9. The capital of the Company and its subsidiary is not subject to the right of option as on the date of this Prospectus;
10. The Company is not aware of any seasonal or activity-related economic factors that may have an impact on the Company's business and financial situation except as disclosed in section (2) "Risk Factors" of this Prospectus.
11. The Company has no information on any government, economic, financial, monetary, political policies or other factors that have substantially affected or may affect (directly or indirectly) the Company's operations except as disclosed in Section (2) "Risk Factors" of this Prospectus
12. Except as disclosed in Subsection (15.6.6) "equity" in this Section, the Company and its subsidiary did not amend the capital during the three years immediately preceding the date of submitting an application for registration and offering of securities subject to this prospectus.
13. Except as disclosed in this Prospectus, no structural changes have been made to the company or its subsidiary during the three years immediately preceding the date of submitting an application for registration and offering of securities subject to this prospectus.
14. Except as disclosed in this Prospectus, no material changes have been made to the accounting policies approved by the company or its subsidiary.
15. There is no intention or obligation on the part of the company or its subsidiary to make any material amendment to the audited and declared financial statements during the three years immediately preceding the date of submitting an application for registration and offering of securities subject to this prospectus.



### 6.3 Significant Accounting Policies

#### **Financial Instruments**

##### **Classification:**

Financial assets are classified into loans and receivables by the Company. The classification of an asset depends on the purpose of its acquisition and is performed by the Management upon the initial recognition of the financial assets.

##### **Loans and receivables:**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The financial assets listed in that company are presented as current assets if they are expected to be recovered within max.12 months from the end of the financial period. The company's loans and receivables consist of "commercial debtors and other debtor balances," "due from related parties" and "Cash & cash equivalents " in the consolidated statement of financial position.

##### **Initial Recognition and Measurement:**

A financial asset is recognized when the Company becomes a party in the contractual provisions of such financial asset.

All financial assets are initially measured at the fair value, as well as other costs directly attributable to the transaction acquisition except the financial assets that are classified at fair value through profits or losses where they are initially measured at fair value only and all other costs attributable to the transaction are charged to the profits or losses statement.

##### **Subsequent Measurement:**

The subsequent measurement of financial assets at fair value is made through profits or losses in fair value. The increase or decrease in fair value during the year is recognized in the profits or losses statement within other profits/losses - net.

The subsequent measurement of financial assets available-for-sale is made at fair value. The increase or decrease in fair value during the year is recognized in other comprehensive income.

The subsequent measurement of loans and receivables as well as held-to-maturity financial assets at amortized cost is done using the effective interest rate method. Interest calculated in the statement of profits or losses is recognized in net financing income/(costs)- net.

##### **Derecognition:**

A financial asset is derecognized when the contract to receive cash flows from the asset have expired or the Company has transferred substantially all the risks and rewards of the asset.





A financial asset is derecognized at its book value on the date of derecognition, and the earnings (losses) arising from derecognition are recognized in profits or losses statement.

Earnings (losses) arising from derecognition of any financial asset are the difference between the book value at the date of derecognition and the proceeds from the derecognition of a financial asset.

**Offsetting of financial assets and liabilities:**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if the Company owns enforceable legal right to offset the recognized amounts and intends to settle on a net basis, to realize the assets or settle the liabilities simultaneously. In order for a company's legal right to make a set-off to be enforceable, it must be when an event occurs in the future, which is often the failure of the other party and must reflect the company's normal practices, financial market requirements and other circumstances associated with the company's risk and timing of cash flows.

**Impairment of Financial Assets**

On the date of end each financial period, the Company assesses whether is objective evidence proving impairment of a financial asset or a group of financial assets. The financial asset or the group of financial assets is considered to have been impaired and Losses resulting from impairment are charged only if there is objective evidence of impairment due to occurrence of one or more acts after the initial recognition of the asset ("loss event") and if the loss act affects the estimated future cash flows of the financial asset or group of the financial assets that can be reliably measured .

Objective evidence of impairment includes significant financial difficulties for debtors or a group of debtors, violation of contract terms such as payment default of interest or principal, or probability that they will enter bankruptcy or other financial re-organization, or observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since initial recognition or when national or local conditions that are related to cases of non-payment of the company's assets.

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of profits and losses. Uncollected debts are canceled by deduction from the provision formed for it and any subsequent collections are recognized as income in the statement of profits and losses.



If the held-to-maturity loan or investment has a variable exchange rate, the rate of uncollected debts is canceled by deduction from the provision formed for it and any subsequent collections are recognized as income in the statement of profits and losses. If the held-to-maturity loan or investment has a variable exchange rate, the discount rate to measure any loss of value is the current actual interest rate established under the contract. As an effective practical measure, the Company may measure the impairment of the financial asset's value based on the fair value of the asset using a remarkable market price. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the statement of profits and losses.

### **Leases**

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

Assets and liabilities resulting from the lease are initially measured on the basis of the present value.

- A. The right-of-use asset is measured at cost which includes:
- amount of the initial measurement of liabilities relating to the right-of-use asset;
  - any initial direct costs;
  - renewal costs.

Liabilities relating to the right-of-use asset include the following net present value of the rentals:

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

Rentals are deducted using the additional borrowing rate which represents the rate a tenant will pay to borrow funds needed to obtain an asset at a similar value in a similar economic environment on similar terms and conditions.

- B. Payments associated with short-term leases with term 12 months or less and low-value rentals on a straight-line basis are recognized as expense on the comprehensive income statement.



### **Right-of-use Asset Measurement**

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

### **Property, Plant and Equipment:**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost less the estimated residual value of other property, plant and equipment is amortized on a straight-line basis over the expected useful lives of the assets.

The carrying value of property, plant and equipment is reviewed when incidents or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and when the carrying amount is higher than the estimated recoverable amount, the assets are written down to their recoverable amount which represents the higher value of fair value less the sale costs and present value.

Leasehold improvements are amortized on a straight-line basis over the useful life of the improvements or the lease term, whichever is shorter.

Repair and maintenance expenses are charged to the profits or losses statement. Improvements that substantially increase the value or useful lives of the asset in question are capitalized. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- Machinery and equipment 4-10 years
- Furniture and fixtures 5-10 years
- Software and computers 4 years
- Vehicles 4-10 years
- Leasehold improvements 5 years or the lease term, whichever is less
- Refrigerators 5 years

The useful life and depreciation method are periodically reviewed to ensure that the method and period of depreciation is commensurate with the expected economic benefits of property, plant and equipment and adjusted with current and future impact.

Property, plant and equipment are derecognized when they are sold or when no future economic benefits are available, and any gain or loss on disposal is recognized in the statement of profits or losses.



### **Intangible Assets**

Intangible assets acquired are measured separately at cost. The cost of intangible assets acquired in a business combination represents the fair value at the acquisition date.

After initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally developed intangible assets are not capitalized, except for capitalized development costs. Expenses are recognized in the consolidated statement of other comprehensive income when incurred. The useful lives of intangible assets are estimated to be either specific or non-specific.

#### **a. Specified useful lives of intangible assets**

At the end of each financial period, the amortization period and amortization method of intangible assets with specified useful lives shall be reviewed. Changes in the useful life of intangible assets or the amortization method of expected future benefits shall be handled as changes in accounting estimates by changing the amortization period or amortization method as appropriate. Amortization expenses for intangible assets with useful lives specified in the Consolidated Comprehensive Income Statement are amortized under the category of expenses consistent with the function of intangible assets.

Intangible assets of specified useful lives are extinguished using the fixed premium method over their estimated useful lives as follows:

| Description | Useful life |
|-------------|-------------|
| • Software  | 5 Years     |

#### **a) Non-specified useful lives of intangible assets**

Intangible assets that do not have a non-specified useful life are not amortized, but are tested annually to ensure that there is no impairment in their value, separately or at the cash-generating unit level. The useful life of intangible assets that do not have a non-specified useful life is reviewed annually to ascertain whether the assessment made for the useful life still supports it. Otherwise, the change from “non-specified useful life” to “specified useful life” is made on a prospective basis. The profit or loss arising from derecognition of intangible assets is measured by calculating as the difference between the net disposal proceeds and the carrying amount of intangible assets and included in the consolidated statement of other comprehensive income when the recognition of intangible assets is ceased.

### **Capital work in progress:**

Capital work in progress represent leased improvements, cost and installation of equipment that has been started but not completed on the end date of the year. Capital work in progress is recorded at cost and not depreciated. The capital work in progress is depreciated when assets are completed and it is available for use on the specified date at which time they are transferred to property, plant and equipment.



**Impairment of non-current assets:**

At each date of statement of financial position, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Assets that do not have a specified useful life are tested annually for impairment. Assets subject to depreciation/amortization are reviewed for impairment when changes in circumstances or events indicate that their carrying value may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**Investment in sister companies**

The parent company's investment in the associate is calculated in an equity manner. An associate company is a facility over which the parent company exercises significant influence.

A significant influence is the ability to participate in the financial and operational policy decisions of the investee enterprise, but not joint control or control over those policies.

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

The consolidated income statement reflects the parent company's share in the associate's operating results. In the event of a change that has been directly recorded in the equity of the associate, the parent company will then register and disclose its share of any changes - as the case may be - in the consolidated statement of other comprehensive income. Unrealized gains or losses on transactions between the Group and its equity accounted entities are eliminated to the extent of the Group's interest in the equity-accounted entity.

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



**Inventory:**

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition and are determined on a weighted average cost method. In the case of finished and in-progress inventory, the cost includes the appropriate share of production overheads based on normal operating capacity.

Net realizable value is based on estimated selling price in the ordinary course of business less any further costs expected to be incurred to complete the selling.

A due allowance for any damaged or slow-moving items is made.

**Cash & cash equivalents**

For the purpose of cash flow statement, cash & cash equivalents are bank balances cash in hand and bank account balances and short-term Murabaha whose maturity is within three months or less from the date of acquisition.

**Trade receivables:**

Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and generate mainly from delivery of goods and services to customers (e.g trade receivables). They include other types of contractual financial assets that are initially recognized at fair value plus costs directly attributable to their acquisition. such trade receivables are subsequently measured at amortized cost using the effective interest rate (EIR) method, less an allowance for expected credit losses.

Trade receivables are shown net after deducting the allowance that is recorded in a separate account and corresponding to a loss that is recognized in the statement of profit or loss. When it is confirmed that the trade receivables will not be collected, the total carrying amount is written off against the associated allowance.

**Share capital**

The capital is classified within equity and comprise ordinary shares distributed to the shareholders of the Company.

**Statutory reserve**

In accordance with the KSA Companies Law and the Articles of Association of the Company, 10% of the net profit shall be transferred to the statutory reserve until the reserve equals 30% of the paid-up share capital. The reserve is not available for distribution.



**Dividends**

Interim dividends are recorded as a liability in the period in which they are approved by the Board of Directors. The final dividends are recorded in the year in which they are approved by the general assembly of shareholders.

**Financial liabilities**

**-Classification-**

The Group classifies its financial liabilities into other financial liabilities. Except for zakat and income tax liabilities and employee defined benefit liabilities, the classification of the financial liabilities on initial recognition depends on the purpose of its acquisition.

The main purpose of the financial liabilities is to finance the operations of the group, ensure financial support for its operation and open branches of the company.

**- Recognition and Measurement:**

The group's financial liabilities include loans, bank facilities, finance lease obligations, trade creditors and other payables. All financial liabilities are recognized initially at fair value plus directly attributable transaction costs. After initial recognition, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

**Loans and bank facilities:**

Loans are initially recognized on the basis of gross amounts received. After initial recognition, loans are subsequently measured at amortized cost using the EIR method. Loans are classified within current liabilities unless the company has an unconditional right to defer payment of the liabilities for at least twelve months after the date of the financial position statement.

**Borrowing costs:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**Creditors and accrued expenses:**

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



**Derecognition of financial liabilities:**

The recognition of financial liabilities is ceased upon repayment, cancellation or termination of the obligation specified in the contract. In the event that existing financial liabilities are replaced by those of the same lender under completely different terms, or by modification of the terms of existing liabilities, such a replacement or modification is then considered as a cessation of the recognition of the original liabilities and of new liabilities. The difference between the respective book values is recorded in the income statement.

**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. The Company recognizes necessary restructuring and non-restructuring engagements related to the Company's current activities within the costs of the restructuring allowance

A potential obligation is a present obligation arising from past events that has not been recognized because it is not probable that there will be an outflow of resources embodying economic benefits for the company to settle this obligation or its value cannot be measured in a sufficiently reliable manner. The Company does not recognize the potential obligation and instead the potential obligation is disclosed in the independent supplemental notes of the financial statements.

Where there are a number of similar obligations, the degree of expectation of the outflow required for payment or settlement is determined by taking into account all elements of the obligation. The allocation is recognized despite the potential outflow of any item that may be small, but it is expected that the outflow of resources will be required to settle all elements of the commitment.

When the time value of money has a significant impact, the amount of the provision is the present value of expenditures expected to be requested to settle the obligation using the pre-tax discount rate which reflects the current market estimates of the time value of cash and the specific risk of the obligation. The increase in the book value of the provision is recognized from time to time to reflect the passage of time as a borrowing cost on the profits or losses statement.

When some or all of the expenses needed to settle for another party are expected to be recharged, the company acknowledges the refund when the refund is certain to be made if the company settles the obligation. The refund shall be treated as a separate asset in the financial position statement, and the value recognized for recovery shall not exceed the amount of the provision.





**Employees' benefits**

- a. Retirement benefit costs for the schemes of the General Organization for Insurance  
The company contributes to the cost of employee retirement benefits in accordance with the regulations of the General Organization for Social Insurance and calculates as a proportion of employees' wages. Payments provided for retirement plans managed by the government are treated as payments to specific benefit plans since the group's commitment to plans equals the liability generated by defined benefit plans.

- b. Short-term Employees' Benefits**

The obligation is recorded and measured in respect of benefits relating to wages, salaries, annual leave and sick leave in the period during which services are rendered over the amounts not deducted from the benefit expected to be paid for such services.

- A. Staff-specific benefit obligations**

Characterization of staff defined benefit plan - end of service benefits

Under the KSA Labor and Workmen Law, the company is required to pay end of service benefits (defined benefit obligations), calculated on the basis of half of the salary of the last month of each of the first five years of service, including fractions of the year, in addition to the salary of the last month for each of the following or remaining years of service, including fractions of the year. The employee is entitled to the same benefits in the event of resignation. The end-of-service remuneration scheme is unfunded.

Employee allowances are made in accordance with the KSA Labor and Workmen Law and are measured at the discounted present value and adjusted if there are substantial effects as a result of measurement at the discounted present value and the adjustment is not affected if the effect is immaterial.

Staff-specific benefit plans (if any) are measured at the present value of future liabilities using the unit-specific method of estimating receivables with adjustments determined using simplified actuarial methods in accordance with the International Standard for Small and Medium-sized Enterprises.

**Payables:**

Trade payables are initially recognized with value of billed or unbilled goods and services received from third parties. Where this is material, goods and services received as well as trade payables are recognized at the present value of expected outflows using the interest rate of similar loans. Trade payables are subsequently measured at amortized cost using the effective interest rate (EIR) method.



**Zakat Provision:**

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

**Value Added Tax (VAT)**

The value added tax was applied in the Kingdom of Saudi Arabia from 1 January 2018 (corresponding to 14 Rabi-Al-Thani 1439H) which is paid by the end consumer on the supply of goods and services but collected at each stage of the production and distribution chain as a general principle. The transaction of VAT shall be recorded in Company's accounts as collectable tax, and VAT should not be included in income or in expenses, whether they are of a capital or revenue nature. In some cases, the company will bear VAT, then the VAT is not recoverable and must be included in the cost of the product or service.

**Related Parties:**

Related parties represent a person or entity related to the Group. Such person is a related party if have control or significant influence on the Group or if is a member of key management. A transaction with related parties is the transfer of resources, services or obligations between the group and the related party regardless of whether the price is charged. Key management personnel are authorized and responsible for planning and management and have direct or indirect control over the operations of the company, including the group's manager

**Operating leases:**

The Group as lessee: payments on operating lease agreements are recognized as an expense in profits and losses statement on a straight-line basis over the lease term.

The Group as lessor: operating lease income is recognized in profits and losses statement on a straight-line basis over the lease term and recorded in other revenue item.

**Revenue recognition:**

IFRS 15 establishes one model to account for revenue arising from contracts with customers. This standard supersedes the revenue realization guidelines of IAS 18 "Revenue" and IAS 11 "Contracting Contracts" and their explanations.



The primary objective of IFRS 15 is that the entity should recognize revenue against the transport of goods or services provided to customers in the amount that reflects the compensation that the enterprise expects for such goods or services.

The Company recognizes revenue when the customer obtains control over the goods and acknowledges receipt in line with IFRS 15 requirements. The standard establishes a five-step model to recognize revenues:

- Step 1. Identify the contract(s) with a customer
- Step 2. Identify the performance obligations in the contract
- Step 3. Determine the transaction price
- Step 4. Allocate the transaction price to the performance obligation in the contract:
- Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation.

Through IFRS 15, revenue is recognized when performing the obligation i.e., when control of the goods or services entrusted with performing a particular obligation is transferred to the customer.

**Revenue cost:**

Revenue costs consist mainly of the cost of direct raw materials, foods, packaging materials, operating supplies and operating expenses.

**Expenses:**

Sales and marketing expenses consist mainly of costs spent marketing and selling of group products. Other expenses are classified as general and administrative expenses. General and administrative expenses include direct and indirect expenses that do not directly relate to the cost of sales in accordance with generally accepted accounting standards. If necessary, expenses are apportioned between general and administrative expenses and the cost of sales on a fixed basis.

**Sectors reporting:**

The operating sector is a group component that engages in business activities through which it generates revenue and incurs expenses, including revenue and expenses relating to transactions with any other components of the group. The results of the operational sectors are regularly reviewed by the CEO of the Group who is the main decision maker on operations, to make decisions on the resources allocated to the sector and to assess its performance, for which separate financial statements are available. Operational sector reports are prepared in a manner consistent with internal reporting to the CEO.



**Earnings per share:**

The Company presents the basic and diluted earnings per share (if any) for its ordinary shares. The basic earnings per share from major operations are calculated by dividing the net profit from major operations by the weighted average number of shares outstanding at the end of each period. The basic earnings per share from continuing operations are calculated by dividing the net (loss) of profit from continuing operations by the weighted average number of shares outstanding at the end of each period. The basic earnings per share from un-continuing operations are calculated by dividing the net (loss) of profit from continuing operations by the weighted average number of shares outstanding at the end of each period.

**Foreign currency translation:**

Transactions in foreign currencies are translated into SAR using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into SAR using the exchange rates prevailing at such date. The gain or loss arising on payment or translation of foreign currencies are recorded in profits and losses statement.

**Significant accounting judgements and estimates**

The preparation of the financial statements requires management to make judgements and estimates that affect in applying the accounting policies on the amounts for assets, liabilities, revenue and expenses. Actual results could differ from estimates.

Estimates and assumptions are based on historical experience and factors that include expectations of future events that are considered appropriate to the circumstances and are used to extend the book period of assets and liabilities not independent of other sources, Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised are reviewed in the event that the variable estimates affect current and future periods.

The following is an explanation of the significance of the estimates, uncertainties and significant judgements when applying the accounting policies that have an impact on the amounts shown in the financial statements and which have been included in the notes.

A. Impairment of trade receivables

The company applies the expected credit loss model to determine the loss of impairment in the trade receivables, requiring the Group to take into account certain future factors while calculating the risk of default.

B. Useful lives and residual values of plant and equipment

Group management determines the estimated useful lives of plant and equipment for depreciation purposes. These estimates are determined after taking into account the expected use of assets or normal wear and tear. Management reviews residual values, useful lives annually



and the future depreciation that is adjusted when management believes useful lives differ from previous estimates.

C. Measurement of staff benefit liabilities

The Group's liabilities related to benefit plans is calculated by estimating the value of future benefits against the specific employee benefits liabilities in current and prior periods and the value is discounted to reach the present one. It is calculated annually by an independent actuarial expert using the expected credit module method. The provisions were used to value actuarial assumptions.

D. Fair value of assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, or otherwise, the best market available in that date. The fair value of the liabilities reflects the risk of inability to perform.

When measuring the fair value of a financial asset or liability, the Group uses the data that can be monitored in the market as much as possible. Fair values are classified within a level in the hierarchy by re-assessing categorization used in the valuation techniques as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that may be obtained in measurement date. The Group does not have any assets or liabilities under this level as at December 31, 2021G.
- Level 2 – Other inputs other than listed and non-level 1 observable for assets and liabilities directly (e.g., prices) or indirectly (derived from prices). The Group does not have financial assets or liabilities under this level.
- Level 3 – Inputs for assets and liabilities that not dependent on observable market data (unobservable inputs)

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

**Proof of Revenue:**

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

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

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

- Step 1: Defining the contract or contracts with customers.

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- Step 2: Defining the performance obligations in the contract.
- Step 3: Defining the transaction price.
- Step 4: Charging the transaction price to the performance obligations in the contract.
- Step 5: Recognizing revenue when the entity implements performance requirements.

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

### **Revenue Cost:**

Revenue costs mainly consist of the cost of direct raw materials, foodstuffs, packaging materials, operating supplies and operating expenses.

### **Expenses:**

Selling and marketing expenses mainly consist of costs incurred in marketing and selling the group's products. Other expenses are classified as general and administrative expenses.

General and administrative expenses include direct and indirect expenses that are not directly related to the cost of sales in accordance with generally accepted accounting standards. Expenses are distributed, if necessary, between general and administrative expenses and cost of sales on a fixed basis.

### **Sector Reports:**

The operating sector is a component of the group that practices business activities through which it generates revenues and incurs expenses, including revenues and expenses related to transactions with any of the other components of the group. The operating sectors results are reviewed regularly by the Group CEO who is the main decision maker on the operations in order to make decisions about the resources allocated to the relevant sector and to evaluate its performance, for which separate financial statements are available. Operating sectors are reported in a manner consistent with the preparation of internal reports submitted to the CEO.

### **Earnings of Share:**

The Group presents basic and diluted earnings per share (if any) for its ordinary shares. Basic earnings per share from major operations is calculated by dividing the net (loss) profit from major operations by the likely average number of existing shares at the end of each period. Basic earnings per share from continuing operations is calculated by dividing the net (loss) profit from continuing operations by the likely average number of existing shares at the end of each period. Basic earnings per share from discontinued operations are also calculated by dividing the net (loss) profit from discontinued operations by the likely average number of existing shares at the end of each period.

### **Foreign Currency Exchange:**

Transactions in foreign currencies are converted into Saudi Riyals at the exchange rates prevailing at the time of the transaction. Financial assets and liabilities in foreign currencies as on the statement of financial position date are translated into Saudi riyals at the rates prevailing on that date. Profits and losses arising from payments or foreign currency exchange are included in the statement of profit or loss.



### **Significant Accounting Provisions and Estimates**

The preparation of financial statements requires management to use provisions and estimates that affect the application of accounting policies to the reported amounts of assets, liabilities, income and expenses, and actual results may differ from these estimates.

Estimates and assumptions are based on previous experience and factors include expectations of future events that are considered appropriate in the circumstances and are used to extend the carrying period of assets and liabilities that are not independent of other sources. Estimates and assumptions are continually evaluated, the accounting estimates that are proven in the period in which the estimates are reviewed in the review period and future periods if the changed estimates affect the current and future periods.

The following is an explanation of the most important estimates, uncertainties and important provisions when applying accounting policies that have a significant impact on the amounts shown in the financial statements, which have been included in the notes.

a. Impairment of trade receivables

The company applies the expected credit losses model to determine the impairment losses in the value of trade receivables, this requires the group to take some future factors into consideration while calculating the probability of default.

b. Useful lives and residual values of machinery and equipment

The Group's management determines the estimated useful lives of machinery and equipment for the purposes of calculating depreciation. These estimates are determined after considering the expected use of the assets or normal wear and tear. Management reviews the residual values and useful lives annually and the accumulated future depreciation is adjusted when management believes that the useful lives differ from previous estimates.

c. Measuring defined benefit obligations for employees

The Group's liability relating to defined benefit plans is calculated by estimating the amount of future benefits for employee defined benefit obligations in the current and previous periods, the value is discounted in order to reach to the present value. It is calculated annually by an independent actuary using the projected unit credit method. The provisions are used in estimating the actuarial assumptions.

d. Fair value of the assets and liabilities

Fair value is the selling price that would be received to sell an asset or paid to transfer a liability in a regular transaction between market participants at the measurement date or, otherwise, the best available market at that date. The fair value of the liabilities reflects the risk of inability to perform.

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

- Level 1: quoted prices (unadjusted) in active markets for an identical asset or liability that could be obtained at the measurement date. The group does not have any assets or liabilities below this level as on December 31, 2021.



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- Level 2: inputs other than quoted prices that are not included below the level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The group has no financial assets or financial liabilities below this level.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

### 6.4 Key Performance Indicators

The following table shows the company's main performance indicators for the years 2019G, 2020G and 2021G.

Table No. (11): Key Performance Indicators

| Key Performance Indicators  | Indicator Unit | Fiscal year ended on December 31 |           |           |
|---|----------------|----------------------------------|-----------|-----------|
|   |                | 2019G                            | 2020G     | 2021G     |
| Growth rate in sales, net *                                       | %              | (11.40%)                         | (1.84%)   | 6.73%     |
| Growth rate in profit / (loss) for the year **                    | %              | 11.47%                           | (193.90%) | (133.04%) |
| Gross profit margin   | %              | 20.20%                           | 2.77%     | 11.23%    |
| General and administrative expenses as a percentage of sales, net | %              | 10.18%                           | 8.44%     | 11.48%    |
| Operating profit/(loss) margin                                    | %              | 10.02%                           | (5.66%)   | (0.25%)   |
| Profit/(loss) margin for the year                                 | %              | 8.96%                            | (8.57%)   | 2.65%     |
| Proceeds on total assets  | %              | 6.51%                            | (7.23%)   | 2.69%     |
| Proceeds on total equity  | %              | 22.17%                           | (26.21%)  | 8.10%     |
| Debt/Total Equity Ratio   | Once           | 0.89                             | 1.13      | 0.99      |
| Total Current Assets / Total Current Liabilities (Trading Ratio)  | Once           | 0.96                             | 1.01      | 0.92      |
| Total Assets / Total Liabilities                                  | Once           | 1.42                             | 1.38      | 1.50      |

Issuer: Management Information.

\* Net growth rate in sales, for fiscal year 2019G, compared to sales, net for fiscal year 2018G.

\*\* The growth rate of the net profit/(loss) for the year of the fiscal year 2019G, compared to the net profit/(loss) for the year of the fiscal year 2018G.



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### 6.5 Consolidated Statement of Other Comprehensive Income

The following table shows the company's consolidated statement of comprehensive income for the fiscal years ending on December 31, 2019G, 2020G and 2021G:

Table No. (12): Consolidated statement of comprehensive income for the company for the fiscal years ended on December 31, 2019G, 2020G and 2021G

| Million Saudi Riyals                                  | Fiscal Year ended on December 31<br>(Audited) |        |        | Increase / (Decrease) |                   | Compound annual<br>growth rate |
|---|---|--------|--------|-----------------------|-------------------|--------------------------------|
|   | 2019G   | 2020G  | 2021G  | December<br>2020G     | December<br>2021G | 2019G - 2021G                  |
| Net sales   | 96.3  | 94.5   | 100.9  | (1.8%)                | 6.7%              | 2.4%                           |
| Sales cost  | (76.8)  | (91.9) | (89.5) | 19.6%                 | (2.6%)            | 8.0%                           |
| Gross profit  | 19.5  | 2.6    | 11.3   | (86.5%)               | 332.2%            | (23.7%)                        |
| General and administrative expenses                   | (9.8)   | (8.0)  | (11.6) | (18.7%)               | 45.3%             | 8.7%                           |
| Operating profit/loss                                 | 9.6   | (5.4)  | (0.3)  | (155.5%)              | (95.2%)           | NA                             |
| Financing costs                                       | (2.2)   | (1.5)  | (1.3)  | (30.8%)               | (14.5%)           | (23.1%)                        |
| Other revenue   | 3.1   | 4.1    | 4.6    | 35.6%                 | 10.5%             | 22.4%                          |
| Profit (loss) for the year before Zakat               | 10.5  | (2.7)  | 3.0    | (125.9%)              | (211.0%)          | (46.3%)                        |
| Zakat   | (0.3)   | (0.2)  | (348)  | (25.0%)               | 73.3%             | 14.0%                          |
| Profit (loss) for the year from continuing operations | 10.2  | (2.9)  | 2.7    | (128.6%)              | (191.5%)          | (48.9%)                        |
| Net loss for the year from discontinued operations    | (1.6)   | (5.2)  | -      | 221.4%                | (100.0%)          | (100.0%)                       |
| Profit (loss) for the year                            | 8.6   | (8.1)  | 2.7    | (193.9%)              | (133.0%)          | (44.3%)                        |

Issuer: Financial Statements and Company Information

Note: "NA" indicates that the ratio of increase or decrease is not calculated due to the presence of "zeroes".

The company's sales decreased by 1.8% from 96.3 million Saudi riyals in 2019G to 94.5 million Saudi Riyals in 2020G. In general, it can be said that the spread of the Corona pandemic in the year 2020G had a negative impact on the company's business. It should be noted that the lockdowns witnessed during the spread of the Corona pandemic and the restrictions imposed on movement have significantly affected the number of orders and the number of shop visitors, which led to the aforementioned decrease in revenues. Revenues returned and increased by 6.7% to reach 100.9 million Saudi riyals in 2021G, as the increase was concentrated in the central region of the Kingdom (specifically the Riyadh region). The partial increase in revenues was affected by the process of easing restrictions after the partial decline of the Corona pandemic.

Cost of sales mainly consist of the cost of purchases and the cost of right-of-use assets plus depreciation and other overheads. The company's cost of sales increased by 19.6% from 76.8 million Saudi riyals in 2019G to 91.9 million Saudi riyals in 2020G. The rise was affected by a noticeable increase in the selling prices of purchases (fruit) at the local and international levels. It is worth noting that the company relies heavily on importing fruits from foreign suppliers.

The total profit recorded by the company decreased by 86.5% from 19.5 million Saudi riyals in 2019G to 2.6 million Saudi riyals in 2020G. This decrease resulted from the increase in cost of sales. Then the company's total profit



increased by 332.2% from 2.6 million Saudi riyals in 2020G to 11.3 million Saudi riyals in 2021G and this was the result of the increase in sales.

General and administrative expenses consist of employee salaries and benefits, depreciation and government fees in addition to contributions and remuneration of the Board of Directors, which together represent about 79.4% of the total general and administrative expenses in 2021G. General and administrative expenses decreased by 18.7% from 9.8 million Saudi riyals in 2019G to 8.0 million Saudi riyals in 2020G. This decrease is mainly due to the decrease in employee salaries and benefits expenses to reach 3.4 million Saudi riyals in the year 2020G, compared to 7.2 million Saudi riyals in the fiscal year 2019G. The reduction in these costs was mainly due to lower employee salaries and layoffs during the Corona pandemic. Then, general and administrative expenses increased by 45.3% from 8.0 million Saudi riyals in 2020G to 11.6 million Saudi riyals in 2021G as a result of the increase in employee salaries and benefits, depreciation expenses and professional fees, which together increased to 8.6 million Saudi riyals in the year 2021G, compared to 5.0 million Saudi riyals in the fiscal year 2020G. The reason for the increase in these costs is mainly due to the appointment of new employees, whose number increased from 379 in the fiscal year 2020G to 536 in the fiscal year 2021G.

Other income consists of rental income, miscellaneous income and franchise income, which constituted 72.5%, 14.8% and 9.2% of the total revenues during the year 2021G, respectively. Other income increased by 35.6% from 3.1 million Saudi riyals in 2019G to 4.1 million Saudi riyals in 2020G. This increase is due to the increase in rental income to reach 2.9 million Saudi riyals in the year 2020G, compared to 0.2 million Saudi riyals in the fiscal year 2019G. It should be noted that the increase in rental income was driven by some of the franchises provided by the owners to the company during the spread of the Corona pandemic, as rental expenses were reduced in order to support the continuation of the companies. This increase continued by 10.5% from 4.1 million Saudi riyals in 2020G to 4.6 million Saudi riyals in 2021G as a result of the increase in rental income to 3.3 million Saudi riyals compared to 0.2 million Saudi riyals in the fiscal year 2019G.

Financing costs - net mainly relate to rental interest expenses and loan interest, which represent on average 89.9% and 10.3% of the total financing costs, respectively. Financing costs decreased by 30.8% from 2.2 million Saudi riyals in 2019G to 1.5 million Saudi riyals in 2020G. This decrease was mainly caused by a 17.7% decrease in rental interest. The decrease was also affected by a decrease in loan interest due to a decrease in the SIBOR price. In force, which decreased from 2.63% to 1.19% between the two years. Financing costs recorded a further decrease of 14.5% from 1.5 million Saudi riyals in 2020G to 1.3 million Saudi riyals in 2021G after the rental interest decreased by 16.2%, which was partially offset by an increase in loan interest expenses by 22.1% so that the increase in the price of SAIBOR in force between the two mentioned years.

Zakat expense decreased by 25.0% from 0.3 million Saudi riyals in 2019G to 0.2 million Saudi riyals in 2020G as a result of the net loss recorded by the company in the 2020G financial year. Then, the Zakat expense increased by 73.3% from 0.2 million Saudi riyals in 2020G to 0.3 million Saudi riyals in 2021G as a result of the net profit that was recorded in the 2021G fiscal year.

The net profit recorded by the company turned from a profit of 8.6 million Saudi riyals in 2019G to a loss of 8.1 million Saudi riyals in 2020G. Then the losses decreased by 133.0%, from losses of SAR 8.1 million in 2020 AD to a profit of SAR 2.7 million in 2021 AD. The shift in the company's results between the years 2019 and 2020 was affected by a decrease in revenue and gross profit. The results recorded by the company improved between the

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years 2020 AD and 2021 AD, so the company returned and recorded profits of 2.7 million Saudi riyals in the year 2021 AD as a result of the increase in revenues between the two years.

### 6.5.1 Revenue by geographic distribution

The following table shows the revenues by geographical distribution of the company for the financial years ending on December 31, 2019G, 2020G and 2021G:

Table No. (13): Revenues by geographical distribution of the company

| Million Saudi Riyals                     | Fiscal Year ended on December 31<br>(Audited) |             |              | Increase / (decrease) |                     | Compound annual growth<br>rate |
|--|---|-------------|--------------|-----------------------|---------------------|--------------------------------|
|  | 2019G   | 2020G       | 2021G        | December<br>r 2020G   | December<br>r 2021G | 2019G - 2021G                  |
| <b>Total sales by region</b>             |   |             |              |                       |                     |                                |
| Central Region - Riyadh                  | 72,3  | 67,7        | 75,5         | (6,4%)                | 11,5%               | 1,7%                           |
| Western Region - Jeddah                  | 17,1  | 17,9        | 16,8         | 4,6%                  | (6,0%)              | (0,7%)                         |
| Southern Region - Abha Khamis<br>Mushait | 6,9   | 8,9         | 8,5          | 30,4%                 | (4,4%)              | 9,2%                           |
| <b>Total</b>                             | <b>96,3</b>                                   | <b>94,5</b> | <b>100,9</b> | <b>(1,8%)</b>         | <b>6,7%</b>         | <b>1,9%</b>                    |

Issuer: company information

It can be said that the revenues recorded by the company during the period between 2019G and 2021G are revenues collected through the various outlets managed and owned by the company. The company operates a network of 57 food outlets distributed over three regions in the Kingdom of Saudi Arabia (the central region, the western region and the southern region). It is worth noting that the bulk of the revenues were collected from the central region (Riyadh), as the revenues related to this region constituted 73.9% of the total revenues recorded during the period between 2019G and 2021G.



### 6.5.2 Revenue and profits by brands and subsidiaries

The following table shows the revenues and profits by brands and the company's subsidiary for the financial years ending on December 31, 2019, 2020G and 2021G:

Table No. (14): Revenues by brands and the company's subsidiary:

| Million Saudi Riyals                                 | Fiscal Year ended on December 31<br>(Audited) |          |           | Increase (decrease) |                   | Compound annual<br>growth rate |
|--|---|----------|-----------|---------------------|-------------------|--------------------------------|
|  | 2019G   | 2020G    | 2021G     | December<br>2020G   | December<br>2021G | 2019G – 2021G                  |
| <b>Sales</b>   |   |          |           |                     |                   |                                |
| Juice Time   | 81  | 75       | 87        | (6,7%)              | 15,5%             | 3,0%                           |
| Quiznos Sub  | 14  | 3        | 3         | (81,1%)             | 27,0%             | (43,5%)                        |
| Other  | 1   | 8        | 3         | 456,4%              | (59,8%)           | 38,0%                          |
| Al-Feddan Fruit Company for<br>vegetables and fruits | -   | 23       | 22        | NA                  | (4,1%)            | NA                             |
| Exclusions   | -   | (15)     | (15)      | NA                  | 2,6%              | NA                             |
| total revenue  | 96  | 95       | 101       | (1,8%)              | 6,7%              | 1,9%                           |
| <b>Cost of Sales</b>                                 |   |          |           |                     |                   |                                |
| Juice Time   | (64)  | (68)     | (73)      | 6,1%                | 7,4%              | 5,3%                           |
| Quiznos Sub  | (12)  | (6)      | (5)       | (47,8%)             | (14,7%)           | (27,6%)                        |
| Other  | (0)   | (12)     | (8)       | 2,871,1%            | (36,2%)           | 224,3%                         |
| Al-Feddan Fruit Company for<br>vegetables and fruits | -   | (20)     | (18)      | NA                  | (8,4%)            | NA                             |
| Exclusions   | -   | 15       | 15        | NA                  | 2,6%              | NA                             |
| Total cost of sales                                  | (77)  | (92)     | (90)      | 19,6%               | (2,6%)            | 6,3%                           |
| <b>Gross Profit</b>                                  | <b>19</b>                                     | <b>3</b> | <b>11</b> | <b>(86,5%)</b>      | <b>332,2%</b>     | <b>(19,5%)</b>                 |

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Note: "NA" indicates that the ratio of rise or fall is not calculated due to the presence of "zeroes".

Revenues obtained from Juice Time fluctuated during the period between 2019G and 2021G. Between 2019G and 2020G, the mentioned revenues decreased by 6.7% from 80.8 million Saudi riyals in 2019G to 75.4 million Saudi riyals in 2020. Then, revenues returned and increased by 15.5% to reach 87.1 million Saudi riyals in the year 2021G. It can be said that the aforementioned rise in 2021G was affected by the addition of seven new outlets, in addition to a relative increase in selling prices. Against the fluctuation of the revenues obtained from the Juice Time, the cost of revenues witnessed a gradual increase from 64.4 million Saudi riyals in 2019G to 68.3 million Saudi Riyals in the year 2020G and 73.3 million Saudi Riyals in the year 2021G. Despite the increase in the cost of revenues between 2020G and 2021, the increase came slightly by 7.4%, compared to the increase in revenues that amounted to 15.5% between the two mentioned years. On this impact, an improvement was recorded in the gross profit margin and the net profit margin from 9.4% and 2.3% in the year 2020G to 15.8% and 6.8% in the year 2021G. It should be mentioned that the increase in the cost of revenue was limited as a result of the company sourcing materials at a relatively low price from the Al-Feddan Fruits and Vegetables Company.

With regard to quiznos subsidiaries, successive losses were recorded during the years 2020 and 2021. The losses resulted from a gradual decline in sales operations after the restrictions that were imposed during the period of the spread of the Corona pandemic. The decline in revenues was offset by an increase in the volume of direct

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expenses, which rose as a percentage of sales to 183.1% in the fiscal year 2020 AD and 117.6% in the fiscal year 2021 AD. This led to a sharp decrease in the gross margin and the net profit margin in the fiscal year 2020 AD and the fiscal year 2021 AD.

Al-Feddan Fruit Company for vegetables and fruits can be defined as a link between the company and the market, given that the purchase of vegetables and fruits is made through the feddan fruit company, which acts as an independent seller of the market. The gross margin of Al-Feddan Fruits and Vegetables Company increased during 2021G despite the decrease in sales. The increase in the gross profit margin is attributable to the wholesale establishment of Fruits and Vegetables by Al-Feddan Fruit Company for vegetables and fruits which resulted in lower material costs incurred.

### 6.5.3 Defined Employee Benefit Obligations

The following table shows the movement of the company's defined employee benefit plan obligations for the financial years ending on December 31, 2019, 2020G and 2021G:

Table No. (15): Defined employee benefit obligations

| Million Saudi Riyals   | Fiscal Year ended on December 31<br>(Audited) |            |            | Increase / (decrease) |                   | Compound annual<br>growth rate |
|--|---|------------|------------|-----------------------|-------------------|--------------------------------|
|  | 2019G   | 2020G      | 2021G      | December<br>2020G     | December<br>2021G | 2019G – 2021G                  |
| Balance at the beginning of the year                                       | 1,1   | 1,8        | 1,295      | 67,2%                 | (28,4%)           | 7,4%                           |
| Included in the Statement of Comprehensive Income                          |   |            |            |                       |                   |                                |
| Current value of the defined benefit obligation included in profit or loss | 1,1   | 0,6        | 616        | (44,0%)               | 1,3%              | (20,3%)                        |
| Remeasurement of defined benefit obligations in other comprehensive income | -   | 0,1        | 305        | NA                    | 448,9%            | NA                             |
| Total included in the statement of comprehensive income                    | 2,2   | 2,5        | 2,2        | 14,1%                 | (10,4%)           | 0,9%                           |
| Paid during the year   | (0,4)   | (1,2)      | (495)      | 229,1%                | (58,0%)           | 13,9%                          |
| Current value of defined benefit obligations at year-end                   | <b>1,8</b>                                    | <b>1,3</b> | <b>1,7</b> | <b>(28,4%)</b>        | <b>32,8%</b>      | <b>(2,0%)</b>                  |

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Note: "NA" indicates that the ratio of rise or fall is not calculated due to the presence of "zeroes".

The balance of defined employee benefit obligations recorded a decrease of 28.4% from 1.8 million Saudi riyals as of December 31, 2019G to 1.3 million Saudi riyals as of December 31, 2020G. The aforementioned decrease was affected by the decrease in the number of employees from 598 employees in 2019G to 379 employees in 2020G as a result of the business suspension in a number of brands. The balance of defined employee benefit obligations returned and increased by 32.8% from 1.3 million Saudi riyals as of December 31, 2020G to 1.7 million Saudi riyals as of December 31, 2021G as a result of an increase in the number of employees. The mentioned increase was linked to the increase in the number of employees in the Development Works Food Company and Al-Feddan Fruit Company for Vegetables and Fruits.

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### 6.5.4 Zakat Provision

The following table shows the company's zakat provision for the financial years ending on December 31, 2019G, 2020G and 2021G:

Table No. (16): Zakat provision

| Million Saudi Riyals                   | Fiscal Year ended on December 31<br>(Audited) |            |            | Increase / (decrease) |                   | Compound annual<br>growth rate |
|--|---|------------|------------|-----------------------|-------------------|--------------------------------|
|  | 2019G   | 2020G      | 2021G      | December<br>2020G     | December<br>2021G | 2019G - 2021G                  |
| Balance on January 1                   | 0,2   | 0,3        | 227        | 28,3%                 | (15,1%)           | 3,5%                           |
| Component during the year              | 0,3   | 0,2        | 348        | (25,0%)               | 73,3%             | 11,0%                          |
| Previous years adjustments             | -   | -          | 21         | NA                    | NA                | NA                             |
| Paid for previous years                | -   | -          | (65)       | NA                    | NA                | NA                             |
| Paid during the year                   | (0,2)   | (0,2)      | (227)      | 15,7%                 | (5,8%)            | 3,5%                           |
| <b>Balance, at the end of the year</b> | <b>0,3</b>                                    | <b>0,2</b> | <b>0,3</b> | <b>(15,1%)</b>        | <b>33,5%</b>      | <b>5,1%</b>                    |

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Note: "NA" indicates that the ratio of rise or fall is not calculated due to the presence of "zeroes".

Zakat expenses decreased by 15.1% from 0.3 million Saudi riyals in 2019G to 0.2 million Saudi riyals in 2020G. This decrease came as a result of the net loss recorded by the company in previous years. We had previously mentioned that the net results recorded by the company turned from a profit of 8.6 million Saudi riyals in 2019G to a loss of 8.1 million Saudi riyals in the year 2020G.

The provision for Zakat returned and increased by 33.5% to 0.3 million Saudi riyals during the year 2021G, given that the company returned and recorded profits of 2.7 million Saudi Riyals in the year 2021G.



### 6.5.5 Cost of Sales

The following table shows the company's cost of sales for the financial years ending on December 31, 2019G, 2020G and 2021G:

Table No. (17): Cost of Sales

| Million Saudi Riyals                                | Fiscal Year ended on December 31<br>(Audited) |               |               | Increase / (decrease) |                   | Compound annual growth<br>rate |
|---|---|---------------|---------------|-----------------------|-------------------|--------------------------------|
|   | 2019G   | 2020G         | 2021G         | December<br>2020G     | December<br>2021G | 2019G – 2021G                  |
| Inventory on January 1                              | 7,1   | 9,8           | 5,8           | 39,0%                 | (41,0%)           | (7,6%)                         |
| Purchases during the year                           | 46,0  | 46,7          | 43,2          | 1,4%                  | (7,4%)            | (2,5%)                         |
| Inventory on December 31                            | (9,8)   | (5,8)         | (7,0)         | (41,0%)               | 21,5%             | (12,5%)                        |
| Employee salaries and benefits                      | 7,4   | 12,2          | 18,3          | 63,8%                 | 50,6%             | 43,5%                          |
| Depreciation of the right to use assets             | 9,7   | 11,4          | 12,5          | 17,7%                 | 10,2%             | 11,0%                          |
| Depreciation of property, machineries and equipment | 4,4   | 7,9           | 8,0           | 78,1%                 | 1,4%              | 26,6%                          |
| Government fees and subscriptions                   | 3,8   | 3,1           | 0,8           | (19,6%)               | (72,7%)           | (45,5%)                        |
| Benefits  | 2,3   | 1,8           | 1,5           | (21,2%)               | (15,8%)           | (15,1%)                        |
| Shipping expenses                                   | 1,0   | 0,9           | 1,4           | (6,6%)                | 43,5%             | 12,4%                          |
| Medical insurance                                   | 0,4   | 0,7           | 0,3           | 51,9%                 | (51,3%)           | (11,3%)                        |
| Credit card commissions                             | 0,4   | 0,6           | 0,7           | 31,8%                 | 22,8%             | 21,3%                          |
| Maintenance and repair                              | 0,9   | 0,5           | 0,7           | (%40,4)               | 24,2%             | (11,3%)                        |
| Cars expenses                                       | 0,9   | 0,5           | 0,7           | (45,7%)               | 48,4%             | (8,3%)                         |
| Cleaning expenses                                   | 0,5   | 0,4           | 0,3           | (27,0%)               | (%16,8)           | (18,1%)                        |
| Franchise expenses                                  | 0,7   | 0,3           | 0,1           | (52,5%)               | (58,0%)           | (47,5%)                        |
| Fines and penalties expenses                        | 0,1   | 0,3           | -             | 216,5%                | (100,0%)          | -                              |
| Advertising expenses                                | -   | -             | 0,5           | NA                    | NA                | NA                             |
| Other   | 1,0   | 1,0           | 1,6           | (%3,7)                | 62,4%             | 19,6%                          |
| <b>Total</b>  | <b>76,821</b>                                 | <b>91,883</b> | <b>89,533</b> | <b>19,6%</b>          | <b>(2,6%)</b>     | <b>6,3%</b>                    |

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Note: "NA" indicates that the ratio of rise or fall is not calculated due to the presence of "zeroes".

Cost of sales consists mainly of procurement costs, salaries and benefits. While the cost of purchases constituted 59.9%, 50.8% and 48.3% of the total cost of sales in 2019G, 2020G and 2021G, salaries and benefits costs represented 9.7%, 13.2% and 20.5% in 2019G, 2020G and 2021G, respectively.

The costs of purchases that the company acquired increased by 1.4% from 46.0 million Saudi riyals in 2019G to 46.7 million Saudi Riyals in 2020G. This increase was mainly caused by the company's business expansion after opening new outlets. Then the purchase costs returned and decreased by 7.4% from 46.7 million Saudi riyals in 2020G to 43.2 million Saudi riyals in 2021G as a result of a decline in the volume of work after suspending work in a number of brands.

Employee salaries and benefits increased by 63.8% from 7.4 million Saudi riyals in 2019G to 12.2 million Saudi riyals in 2020G. This rise was mainly caused by the expansion of business and the opening of new outlets and branches. The salaries and benefits of employees recorded an additional increase of 50.6% from 12.2 million



Saudi riyals in 2020G to 18.3 million Saudi riyals in 2021G due to the increase in residency renewal fees, work permits and related expenses.

This was due to the regrouping of employee residency, labor card, municipal medical and re-entry expenses to get out of the government fee and subscription package.

The value of the inventory used at the beginning of the year (the balance used in the cost of revenue calculation process) increased by 39.0% from 7.1 million Saudi riyals in 2019G to 9.8 million Saudi riyals in 2020G as a result of the company's business expansion through new outlets. Then the inventory of the company at the beginning of the year decreased by 41.0% from 9.8 million Saudi riyals in 2020G to 5.8 million Saudi riyals in 2021G and this was due to the suspension of operations due to the suspension of three brands.

The value of the inventory at the end of the year (the value of the inventory used in the process of calculating the cost of revenue) decreased by 41.0% from 9.8 million Saudi riyals in the year 2019G to 5.8 million Saudi Riyals in the year 2020G as a result of the operating interruption due to the suspension of three brands. Then the inventory at the end of the year for the company increased by 21.5% from 5.8 million Saudi riyals in 2020G to 7.0 million Saudi riyals in 2021G as a result of the company's business expansion through new outlets.

The cost of right-of-use assets increased by 17.7% from 9.7 million Saudi riyals in 2019G to 11.4 million Saudi riyals in 2020G. Then the depreciation expense recorded an additional increase of 10.2% from 11.4 million Saudi riyals in 2020G to 12.5 million Saudi riyals in 2021G. It can be said that the aforementioned rise was driven by the expansion of the company's business and the opening of new outlets and branches.

The cost of depreciation of property, machinery and equipment increased by 78.1% from 4.4 million Saudi riyals in 2019G to 7.9 million Saudi riyals in 2020G. The cost continued to increase by 1.4% from 7.9 million Saudi riyals in 2020G. to 8.0 million Saudi riyals in 2021G. As in the case of depreciation expense for the right to use assets, the mentioned increase was affected by the expansion of the company's business and the opening of new outlets. Fees and subscription expenses decreased by 19.6% from 3.8 million Saudi riyals in 2019G to 3.1 million Saudi riyals in 2020G, mainly due to the government's reduction in staff residence fees for three months due to the epidemiological situation countrywide following the spread of the Corona pandemic. An additional decrease of 72.7% was recorded from 3.1 million Saudi riyals in 2020G to 0.8 million Saudi riyals in 2021G, and this was due to the regrouping of the employee's residence, work card, medical municipality and re-entry expenses to get out of the government fees and subscription package.

The cost of benefits decreased by 21.2% from 2.3 million Saudi riyals in 2019G to 1.8 million Saudi riyals in 2020G as a result of the overall decline in the volume of activity during the outbreak of the Corona pandemic. These costs continued to decline by 15.8 % from 1.8 million Saudi riyals in 2020G to 1.5 million Saudi riyals in 2021G as a result of the adoption of rationalization policies that led to a general decline in utility expenditures.

Shipping expenses decreased by 6.6% from 1.0 million Saudi riyals in 2019G to 0.9 million Saudi riyals in the year 2020G, as the volume of activity in general and the scope of transportation, delivery and shipping operations in particular decreased during the year 2020G after the spread of Corona pandemic and restrictions on movement. Shipping expenses returned and increased by 43.5% from 0.9 million Saudi riyals in the year 2020G to 1.4 million Saudi riyals in the year 2021G after the increase in home delivery sales by 33.5% (it should be noted that shipping costs are mainly related to the category of These sales are "delivery").

Medical insurance expenses increased by 51.9% from 0.4 million Saudi riyals in 2019G to 0.7 million Saudi riyals in 2020G. Then these expenses returned and decreased by 51.3% from 0.7 million Saudi riyals in the year 2020G to





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0.3 million Saudi riyals in the year 2021G. Although the aforementioned fluctuation is within the normal course of work, it can be said that this movement of expenses has also been affected by the number of employees and their travel during the period of the Corona pandemic.

Credit card commission fees increased by 31.8% from 0.4 million Saudi riyals in 2019G to 0.6 million Saudi riyals in 2020G. This increase continued by 22.8%, from 0.6 million Saudi riyals in 2020G to 0.7 million Saudi riyals in 2021G. The rise was affected by the increase in the rate of payment through credit cards, given that the largest number of customers has resorted to the method of credit card payment since the outbreak of the Corona pandemic.

Maintenance and repair costs decreased by 40.4% from 0.9 million Saudi riyals in 2019G to 0.5 million Saudi riyals in 2020G after the spread of the Corona pandemic and the decrease in the scope of maintenance and repair operations. These costs returned and increased by 24.2% from 0.5 million Saudi riyals in the year 2020G to 0.7 million Saudi riyals in the year 2021G after the level of business returned to normal after the partial decline of the Corona pandemic.

Car expenses decreased by 45.7% from 0.9 million Saudi riyals in the year 2019G to 0.5 million Saudi riyals in the year 2020G as a result of the decrease in the volume of movement during the spread of the Corona pandemic (we mentioned above that the restrictions imposed during the pandemic period which limited mobility). Then, car expenses returned and increased by 48.4% from 0.5 million Saudi riyals in 2020G to 0.7 million Saudi riyals in 2021G as a result of the decline of the Corona pandemic and the expansion of the company's business through the opening of new outlets.

Cleaning expenses decreased by 27.0% from 0.5 million Saudi riyals in 2019G to 0.4 million Saudi riyals in 2020G with an additional decrease of 16.8% to 0.3 million Saudi riyals in 2021G. The mentioned decrease can be linked to a number of low value contracts that the company has entered into with a number of cleaning companies. The decline in the year 2020G was also associated with the decline in all activities in general during the period of the spread of the Corona pandemic.

Franchise expenses decreased by 52.5% from 0.7 million Saudi riyals in 2019G to 0.3 million Saudi riyals in 2020G with an additional decrease of 58.0% from 0.3 million Saudi riyals in 2020G to 0.1 million Saudi riyals in 2021G.

Fines and penalties expenses are the expenses of municipal fines, traffic fines and various other fines incurred by the company during the normal course of business. These expenses do not follow a particular trend but rather fluctuate periodically. It should be noted that although there are expenses such as fines and penalties expenses that are classified under the cost of sales, the movement of these expenses is not affected mainly by the movement of sales and the level of business.

Advertising expenses are the expenses of advertising campaigns and advertisements that are published during the normal course of business.

Other expenses decreased by 3.7% from 1.0 million Saudi riyals in 2019G to 1.0 million Saudi riyals in 2020. Then these expenses returned and increased by 62.4% from 1.0 million Saudi riyals in 2020G to 1.6 million Saudi Riyals in 2021G. It should be noted that these expenses fluctuate periodically and not closely related to the movement of the business. Moreover, the largest part of the expenses decreased during the period of the pandemic's spread, then returned and rose after the partial receding of the pandemic and the return of business to a somewhat normal level.



### 6.5.6 General and Administrative Expenses

The following table shows the company's general and administrative expenses for the financial years ending on December 31, 2019G, 2020G and 2021G

Table No. (18): General and administrative expenses

| Million Saudi Riyals                              | Fiscal Year ended on December 31<br>(Audited) |            |             | Increase / (decrease) |                | Compound annual<br>growth rate |
|---|---|------------|-------------|-----------------------|----------------|--------------------------------|
|   | 2019G   | 2020G      | 2021G       | December 2020G        | December 2021G | 2019G – 2021G                  |
| Employee salaries and benefits                    | 7,2   | 3,4        | 6,2         | (53,3%)               | 82,7%          | (6,1%)                         |
| Depreciation of property, machinery and equipment | 0,5   | 1,4        | 1,7         | 170,9%                | 26,8%          | 63,8%                          |
| Remuneration of board members                     | -   | 0,4        | 0,2         | NA                    | (36,7%)        | NA                             |
| Government fees and subscriptions                 | 0,4   | 0,5        | 0,6         | 26,2%                 | 16,2%          | 16,5%                          |
| Professional fee                                  | 0,2   | 0,3        | 0,7         | 69,5%                 | 115,3%         | 67,9%                          |
| Benefits  | 0,2   | 0,2        | 0,2         | (4,9%)                | (24,0%)        | (12,2%)                        |
| Fees for loading and unloading                    | -   | 0,2        | 0,2         | NA                    | (24,8%)        | NA                             |
| Rent  | -   | 0,2        | 0,5         | NA                    | 125,2%         | NA                             |
| Banking expenses                                  | 0,1   | 0,1        | 0,2         | 22,0%                 | 81,9%          | 37,6%                          |
| write off accounts receivable                     | -   | 0,2        | 0,0         | NA                    | (95,9%)        | NA                             |
| Amortization of intangible assets                 | 0,1   | 0,1        | -           | 95,6%                 | NA             | (100,0%)                       |
| Maintenance and repair expenses                   | 0,2   | 0,1        | 0,1         | (16,1%)               | (33,6%)        | (20,9%)                        |
| Medical insurance                                 | 0,1   | 0,0        | 0,2         | (85,3%)               | 898,5%         | 16,4%                          |
| Cars expenses                                     | 0,2   | 0,4        | 0,1         | 51,0%                 | (73,1%)        | (30,3%)                        |
| Transportation                                    | 0,1   | 0,0        | 0,0         | (88,6%)               | (75,9%)        | (76,3%)                        |
| Fines and penalties                               | 0,1   | 0,0        | -           | (25,0%)               | (100,0%)       | -                              |
| Other   | 0,4   | 0,4        | 0,7         | 5,2%                  | 68,7%          | 23,8%                          |
| <b>Total</b>                                      | <b>9,8</b>                                    | <b>8,0</b> | <b>11,6</b> | <b>(18,7%)</b>        | <b>45,3%</b>   | <b>6,9%</b>                    |

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Note: "NA" indicates that the ratio of rise or fall is not calculated due to the presence of "zeroes".

General and administrative expenses consist principally of employee salaries and benefits and depreciation expenses of property, machinery and equipment. While the cost of benefits and employee salaries constituted 73.8%, 42.4% and 53.3% of the total cost of sales in 2019, 2020G and 2021, respectively, depreciation expenses of property, machinery and equipment represented 5.1% and 17.0% and 14.9% in 2019G, 2020G, and 2021G, respectively.

Employee salaries and benefits include the salaries and benefits of the general and administrative team, which includes employees of the departments of finance, human resources, general administration, purchasing, sales, and the marketing department. Salaries and benefits generally include basic salaries, ticketing, vacation allowances, bonuses, and other various allowances. Employee salaries and benefits decreased by 53.3% from 7.2 million Saudi riyals in 2019G to 3.4 million Saudi riyals in 2020G as a result of reducing the number of employees



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during the spread of the Corona pandemic, as the company took a number of decisions with the aim of reducing expenses (For example, employee salaries were reduced by 50% for three months during the pandemic period in the year 2020G). Employee salaries and benefits have returned and increased by 82.7% from 3.4 million Saudi riyals in 2020G to 6.2 million Saudi riyals in 2021G as a result of the appointment of additional employees for new branches and projects launched during the year 2021G.

Depreciation expense on property, machinery and equipment is primarily related to the depreciation of building improvements made at the company's head office. Depreciation expenses of property, machinery and equipment increased by 170.9% from 0.5 million Saudi riyals in 2019G to 1.4 million Saudi riyals in 2020G as a result of the acquisition of Al-Fedan Fruits and Vegetables Company and the addition of related assets to the company's assets. Depreciation expenses of property, machinery and equipment increased by an additional 26.8% from 1.4 million Saudi riyals in 2020G to 1.7 million Saudi Riyals in 2021G as a result of the additions that occurred to fixed assets in the year 2021G.

Government fees and subscriptions include various costs such as trading expenses and government fees related to subscription fees and membership renewal that are paid to various government departments and authorities. Government fees and subscriptions increased by 26.2% from 0.4 million Saudi riyals in 2019G to 0.5 million Saudi riyals in 2020G, with an additional increase of 16.2% to 0.6 million Saudi riyals in 2021G as a result of an increase in business activity and the presence of new expenses such as cash insurance. Tadaful fees and other government fees also increased during the period between 2019G and 2021G.

Professional fees primarily include audit fees, consulting fees and other legal fees incurred by the various administrative departments. The cost of professional fees increased by 69.5% from 0.2 million Saudi riyals in 2019G to 0.3 million Saudi riyals in 2020G. An additional increase of 115.3% was recorded from 0.3 million Saudi riyals in 2020G to 0.7 million Saudi riyals in 2021G as a result of the increase in legal consultancy fees.

Rental expenses classified as part of general and administrative expenses relate only to Al-Feddan Fruits and Vegetables Company. These rental expenses include car rentals, warehouse and administrative office expenses for the use of the administrative team. These expenses increased by 125.2% from 0.2 million Saudi riyals in 2020G to 0.5 million Saudi riyals in 2021G as a result of adding new business lines (the presence of a large amount of frozen fruits automatically leads to an increase in the cost of warehouse rent). However, the rental expenses were not charged to the general and administrative expenses in the fiscal year 2019G, as the Al-Feddan Fruits and Vegetables Company was acquired in the 2020G fiscal year.

Benefit represents utility and electricity expenses incurred in the normal course of business. The cost of benefits decreased by 4.9% from 223,000 Saudi riyals in 2019G to 213,000 Saudi riyals in 2020G, with an additional decrease of 24.0% to 0.1 million Saudi riyals in 2021G after the spread of the Corona pandemic and the policy of reducing expenses that were followed between the year 2020G and the year 2021G.

Bank expenses did not witness any material change between 2019G and 2020G. Then these expenses increased by 81.9% from 0.1 million Saudi riyals in 2020G to 0.2 million Saudi riyals in 2021G as a result of installing a new depository machine at the headquarters at a monthly cost of 8,000 Saudi riyals.

Maintenance and repair expenses included as part of the general administration and administrative expenses are related to the general maintenance of the company's head office and Al-Feddan Fruits and Vegetables Company. The cost of maintenance and repair decreased by 16.1% from 0.2 million Saudi riyals in 2019G to 0.1 million Saudi riyals in 2020G. Maintenance and repair expenses did not witness any material change between 2020G and 2021G.

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The decrease in maintenance expenses during the year 2020G can be attributed to the decline in repair and maintenance work following the spread of the Corona pandemic.

Medical insurance expenses include medical insurance policy expenses associated with the company's employees. These expenses fluctuate periodically depending on the fluctuation of the number of employees and according to the fluctuation of expenses associated with insurance policies.

Auto expenses represent vehicle repair expenses, insurance, and rental car expenses. Cars are used by administrative personnel to carry out daily business activities. Car expenses increased by 51.0% from 0.2 million Saudi riyals in 2019G to 0.4 million Saudi riyals in 2020G as a result of providing car rental service for administrative staff. Then the company's car expenses returned and decreased by 73.1% from 0.4 million Saudi riyals in 2020G to 0.1 million Saudi riyals in 2021, following a number of policies aimed at reducing expenses in general.

Transportation expenses represent general expenses incurred during employees' business trips. These expenses include accommodation, travel and other daily expenses. The cost of transportation decreased by 88.6% from 0.1 million Saudi riyals in 2019G to 13,000 Saudi riyals in the year 2020G, after the general decline in mobility as a result of the spread of the Corona pandemic. Transportation expenses did not witness any material change between 2020G and 2021.

Fines and penalties fees are related to fines to be paid following the presence of any traffic or other administrative fines in the normal course of business.

Other expenses increased by 68.7% from 0.4 million Saudi riyals in 2019G and 2020G to 0.7 million Saudi riyals in 2021G. These expenses fluctuate in the normal course of business.

### 6.5.7 Financing Costs

The following table shows the company's financing costs for the financial years ending on December 31, 2019G, 2020G and 2021G:

Table No. (19): Financing costs

| Million Saudi Riyals       | Fiscal Year ended on December 31 (Audited) |            |            | Increase / (decrease) |                | Compound annual growth rate |
|----------------------------|--|------------|------------|-----------------------|----------------|-----------------------------|
|                            | 2019G                                      | 2020G      | 2021G      | December 2020G        | December 2021G | 2019G – 2021G               |
| Lease obligations interest | 1,8  | 1,5        | 1,2        | (17,7%)               | (16,2%)        | (13,8%)                     |
| loan interest              | 0,4  | 0,1        | 0,1        | (84,7%)               | 22,1%          | (48,8%)                     |
| <b>Total</b>               | <b>2,2</b>                                 | <b>1,5</b> | <b>1,3</b> | <b>(30,8%)</b>        | <b>(14,5%)</b> | <b>(18,9%)</b>              |

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Note: "NA" indicates that the ratio of rise or fall is not calculated due to the presence of "zeroes".

Financing costs include lease obligations interest and loan interest.

The interest on lease obligations decreased by 17.7% from 1.8 million Saudi riyals in 2019G to 1.5 million Saudi riyals in 2020G, with an additional decrease of 16.2% to 1.2 million Saudi riyals in 2021G as the result Decline in following IFRS 16 in the year 2019G.

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Loan interest decreased by 84.7% from 0.4 million Saudi riyals in 2019G to 0.1 million Saudi riyals in 2020G as a result of the decline in the applicable SIBOR rate, which decreased from 2.6% to 1.2% between the two years. The interest on loans did not witness any material change between 2020G and 2021G.

### 6.5.8 Other income, net

The following table shows the other income, net of the company, for the financial years ending on December 31, 2019G, 2020G and 2021G:

Table No. (20): Other income, net

| Million Saudi Riyals                             | Fiscal Year ended on December 31 (Audited) |            |            | Increase / (decrease) |                | Compound annual growth rate |
|--|--|------------|------------|-----------------------|----------------|-----------------------------|
|  | 2019G                                      | 2020G      | 2021G      | December 2020G        | December 2021G | 2019G – 2021G               |
| Rental income                                    | 0,2  | 2,9        | 3,3        | 1,509,2%              | 14,5%          | 220,8%                      |
| Miscellaneous income                             | 2,2  | 0,9        | 0,7        | (61,3%)               | (21,4%)        | (37,9%)                     |
| Franchise revenue                                | 0,7  | 0,4        | 0,4        | (38,2%)               | 1,5%           | (17,0%)                     |
| Capital profits (losses)                         | 0,0  | (0,0)      | 0,2        | (1,682,7%)            | (583,6%)       | 467,0%                      |
| Destruction of property, machinery and equipment | (0,0)                                      | -          | -          | (100,0%)              | NA             | NA                          |
| <b>Total</b>                                     | <b>3,1</b>                                 | <b>4,1</b> | <b>4,6</b> | <b>35,6%</b>          | <b>10,5%</b>   | <b>17,6%</b>                |

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Note: "NA" indicates that the ratio of rise or fall is not calculated due to the presence of "zeroes".

Other income, net mainly includes rental income and miscellaneous income.

Rental income increased by 1,509.2% from 0.2 million Saudi riyals in 2019G to 2.9 million Saudi riyals in 2020. An additional increase of 14.5% to 3.3 million Saudi riyals was recorded in 2021G as a result of concluding a new sub-lease agreement between Mahboub Shawarma and the Chick House outlets.

Miscellaneous revenues decreased by 61.3% from 2.2 million Saudi riyals in 2019G to 0.9 million Saudi riyals in 2020G as a result of the spread of the Corona pandemic and the suspension of work in a number of brands. An additional decrease in this framework was recorded by 21.4%, from 0.9 million Saudi riyals in the year 2020G to 0.7 million Saudi riyals in the year 2021G.

Franchise revenues decreased by 38.2% from 0.7 million Saudi riyals in 2019G to 0.4 million Saudi riyals in 2020G as a result of stopping work on a number of brands. Franchise revenues remained almost fixed between 2020G and 2021.



## 6.6 Consolidated Statement of Financial Position

The following table shows the company's consolidated statement of financial position for the financial years ending on December 31, 2019G, 2020G and 2021G:

Table No. (21): Consolidated Statement of Financial Position

| Million Saudi Riyals                | Fiscal Year ended on December 31 (Audited) |              |             | Increase / (decrease) |                | Compound annual growth rate |
|-------------------------------------|--|--------------|-------------|-----------------------|----------------|-----------------------------|
|                                     | 2019G                                      | 2020G        | 2021G       | December 2020G        | December 2021G | 2019G – 2021G               |
| Total non-current assets            | 105,7                                      | 82,7         | 67,2        | (21,7%)               | (18,7%)        | (16,6%)                     |
| Total current assets                | 26,8                                       | 29,3         | 32,3        | 9,3%                  | 10,0%          | 7,7%                        |
| <b>Total assets</b>                 | <b>132,5</b>                               | <b>112,0</b> | <b>99,5</b> | <b>(15,5%)</b>        | <b>(11,2%)</b> | <b>(10,8%)</b>              |
| Total Equity                        | 38,9                                       | 30,9         | 33,1        | (20,6%)               | 7,0%           | (6,3%)                      |
| Total non-current liabilities       | 65,5                                       | 52,0         | 31,3        | (20,6%)               | (39,7%)        | (25,5%)                     |
| Total current liabilities           | 28,1                                       | 29,1         | 35,1        | 3,6%                  | 20,6%          | 9,3%                        |
| Total Liabilities                   | 93,6                                       | 81,1         | 66,4        | (13,3%)               | (18,1%)        | (12,8%)                     |
| <b>Total Liabilities and Equity</b> | <b>132,5</b>                               | <b>112,0</b> | <b>99,5</b> | <b>(15,5%)</b>        | <b>(11,2%)</b> | <b>(10,8%)</b>              |

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Note: "NA" indicates that the ratio of rise or fall is not calculated due to the presence of "zeroes".

### 6.6.1 Consolidated non-current assets by component and by subsidiaries

The following table shows the company's non-current assets for the financial years ending on December 31, 2019G, 2020G and 2021G:

Table No. (22): Non-current Assets

| Million Saudi Riyals                              | Fiscal Year ended on December 31 (Audited) |             |             | Increase / (decrease) |                | Compound annual growth rate |
|---|--|-------------|-------------|-----------------------|----------------|-----------------------------|
|   | 2019G                                      | 2020G       | 2021G       | December 2019G        | December 2020G | 2019G – 2021G               |
| Property and equipment, net                       | 55,7                                       | 41,5        | 36,0        | (25,5%)               | (13,2%)        | (16,0%)                     |
| Net intangible assets                             | 0,2  | 0,2         | 0,3         | 16,6%                 | 30,4%          | 18,2%                       |
| Capital work under construction                   | -  | 2,4         | 2,2         | NA                    | (8,7%)         | NA                          |
| Right of using the net assets                     | 49,4                                       | 38,6        | 28,5        | (21,9%)               | (26,0%)        | (19,7%)                     |
| Investments in subsidiaries / affiliate companies | 0,4  | -           | 0,2         | (100,0%)              | NA             | (23,9%)                     |
| <b>Total non-current assets</b>                   | <b>105,7</b>                               | <b>82,7</b> | <b>67,2</b> | <b>(21,7%)</b>        | <b>(18,7%)</b> | <b>(10,0%)</b>              |

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Note: "NA" indicates that the ratio of rise or fall is not calculated due to the presence of "zeroes".

Non-current assets consist of property and equipment, intangible assets, capital work in progress, right-of-use assets, and investments in subsidiaries/affiliate companies. Non-current assets decreased by 21.7% from 105.7 million Saudi riyals as of December 31, 2019G to 82.7 million Saudi riyals as of December 31, 2020. This decrease is mainly due to the exclusion of a number of assets with a net book value of 8.4 million Saudi riyals in addition to depreciation of 10.6 million Saudi riyals recorded during the year.

Non-current assets continued to decline by 18.7% from 82.7 million Saudi riyals as on December 31, 2020G to 67.2 million Saudi riyals as on December 31, 2021G as a result of a decrease in the value of right-of-use assets by 10.0 million Saudi riyals and a decrease in the value of property and equipment as a result of depreciation on an annual basis. In addition to the exclusions that were recorded during the year.

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### 6.6.2 Property, machinery and equipment

#### 6.6.2.1 Consolidated net book value of property and equipment by components

The following table shows the consolidated net book value of the company's property and equipment for the financial years ending on December 31, 2019G, 2020G and 2021G:

Table No. (23): Consolidated net book value of property and equipment

| Million Saudi Riyals            | Fiscal Year ended on December 31 (Audited) |             |             | Increase / (decrease) |                | Compound annual growth rate |
|---------------------------------|--|-------------|-------------|-----------------------|----------------|-----------------------------|
|                                 | 2019G                                      | 2020G       | 2021G       | December 2019G        | December 2020G | 2019G – 2021G               |
| Machinery and equipment         | 9,1  | 6,6         | 5,8         | (27,3%)               | (12,1%)        | (16,4%)                     |
| Furniture and fixtures          | 9,6  | 7,1         | 6,2         | (26,0%)               | (13,1%)        | (16,2%)                     |
| Computers                       | 0,8  | 0,8         | 0,6         | NA                    | (22,8%)        | (9,1%)                      |
| Cars                            | 4,0  | 3,8         | 2,9         | (5,2%)                | (23,6%)        | (12,1%)                     |
| Improvements on leased premises | 32,3                                       | 23,2        | 20,6        | (28,0%)               | (11,5%)        | (16,5%)                     |
| refrigerators                   | -  | -           | -           | NA                    | NA             | NA                          |
| <b>Total</b>                    | <b>55,7</b>                                | <b>41,5</b> | <b>36,0</b> | <b>(25,5%)</b>        | <b>(13,2%)</b> | <b>NA</b>                   |

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Note: "NA" indicates that the ratio of rise or fall is not calculated due to the presence of "zeroes".

Property and equipment comprise of machinery and equipment, furniture and fixtures, computers, motor vehicles and improvements on leased premises. Improvements on leased premises formed the main component of property and equipment between December 31, 2019G and December 31, 2021. This component represented 57.9%, 56.0% and 57.1% of the total property and equipment as in the financial period ended December 31, 2019G, December 31, 2020G and December 31, 2021G, respectively.

#### Machinery and equipment

Machinery and equipment mainly include air conditioners, freezers, coolers, refrigerators and food processing machinery in the central production unit.

As at December 31, 2020, the net book value of machinery and equipment decreased by 27.3% mainly as a result of continuous depreciation and sale of assets amounting to 2.0 million Saudi riyals (the assets that were disposed of are related to the discontinued operations of Shawarma Mahboob (1.8 million Saudi riyals)). It should be noted that this decrease was offset by an increase in the value of machinery and equipment as a result of additions amounting to 1.2 million Saudi riyals during the year 2020.



#### Furniture and fixtures

Furniture, fixtures and office equipment mainly consist of equipment (juicer, mixer and press machine) and stainless-steel equipment (racks, shelves and workbenches). As on December 31, 2021G, the value of furniture and fixtures represented 17.1% of the total net book value as on December 31, 2021G.

The total value of office furniture, fixtures and equipment decreased by 26.0% between December 31, 2019G and December 31, 2020G as a result of continuous depreciation and exclusions during the period, which amounted to 1.7 million Saudi riyals. The exclusions were offset by additions of 1.1 million Saudi riyals.

Between December 31, 2020G and December 31, 2021G, the total value of furniture and fixtures decreased by 13.1% as a result of continuous depreciation and recording exclusions of 1.7 million Saudi riyals during the year 2021. The exclusions were offset by additions of 1.0 million Saudi riyals during the year 2021G.

#### Computers

As of December 31, 2021G, computers mainly included POS machines, desktop computers, laptops, and iPads.

#### Cars

Vehicles mainly include cars used by employees on their daily trips and trucks used to transport workers and other services.

#### Improvements on leased premises

Leased premises improvement work includes renovation works to branches and head offices in leased premises. Improvements to leased premises constituted 57.1% of the total net book value of property and equipment as of December 31, 2021.

The value of the mentioned improvements declined during the period between 2019G and 2021G, mainly due to the increase in consumption fees.

Between December 31, 2019G and December 31, 2020G, the book value of improvements to leased premises decreased by 28.0%, mainly due to continuous depreciation, which amounted to 8.5 million Saudi riyals, in addition to asset exclusions of 4.1 million Saudi riyals (excluded assets were related to two sectors). Chicks House and Mahboub Shawarma).

Between December 31, 200G and December 31, 2021G, the book value of improvements to leased buildings decreased by 11.5% as a result of depreciation, which amounted to 5.3 million Saudi riyals.



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### 6.6.2.2 Additions to property and equipment by components

The following table shows the additions to the company's property and equipment for the fiscal years ending on December 31, 2019G, 2020G and 2021G:

Table No. (24): Additions to property and equipment

| Million Saudi Riyals            | Fiscal Year ended on December 31 (Audited) |            |            | Increase / (decrease) |                | Compound annual growth rate |
|---------------------------------|--|------------|------------|-----------------------|----------------|-----------------------------|
|                                 | 2019G                                      | 2020G      | 2021G      | December 2019G        | December 2020G | 2019G – 2021G               |
| Machinery and equipment         | 3,2  | 1,2        | 0,9        | (60,8%)               | (29,4%)        | (40,2%)                     |
| Furniture and fixtures          | 4,1  | 1,1        | 1,0        | (72,3%)               | (10,0%)        | (42,7%)                     |
| Computers                       | 0,4  | 0,4        | 0,1        | 14,2%                 | (82,4%)        | (47,4%)                     |
| Cars                            | 1,5  | 1,2        | 0,0        | (22,7%)               | (99,3%)        | (87,6%)                     |
| Improvements on leased premises | 15,3                                       | 0,9        | 3,1        | (94,3%)               | 249,9%         | (47,4%)                     |
| refrigerators                   | -  | -          | -          | NA                    | NA             | NA                          |
| <b>Total</b>                    | <b>24,4</b>                                | <b>4,8</b> | <b>5,0</b> | <b>(80,2%)</b>        | <b>4,5%</b>    | <b>(46,8%)</b>              |

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Note: "NA" indicates that the ratio of rise or fall is not calculated due to the presence of "zeroes".

#### Machinery and equipment

The additions during the fiscal year 2020G included refrigeration machines, refrigerators and air conditioners. The additions are linked to the Soleil Warehouse and the new branches of Juicy Time.

The additions during the fiscal year 2021G included the freezers and air conditioners associated with the air for the new "Gamaraty" project and the new branches for Juice Time.

#### Furniture and fixtures

The additions during the year 2020G mainly included equipment purchased for branches and warehouses (Juicy Time), which includes blenders and orange juicers.

The additions during the year 2021G were mainly related to the equipment and furniture purchased for the new project Gummarti, Soleil Warehouse and Sultana.

#### Computers

The additions of computers during the fiscal year 2021G were mainly related to laptops and desktop computers that were purchased for head office use.

#### Cars

The value of car-related additions amounted to 1.5 million Saudi riyals as on December 31, 2019, 1.2 million Saudi riyals as on December 31, 2020G and 8,000 Saudi riyals as on December 31, 2021.



### Improvements of leased premises

The additions during 2020G and 2021G mainly included improvements made in the rented premises, various branches of Juice Time and Quiznos. The additions also included improvements related to the company's main building.

### 6.6.2.3 Exclusions of property and equipment by components

The following table shows the exclusions for the company's property and equipment for the financial years ending on December 31, 2019G, 2020G and 2021G:

Table No. (25): Property and equipment exclusions

| Million Saudi Riyals               | Fiscal Year ended on December 31<br>(Audited) |               |              | Increase / (Decrease) |                | Compound annual growth<br>rate |
|------------------------------------|---|---------------|--------------|-----------------------|----------------|--------------------------------|
|                                    | 2019G   | 2020G         | 2021G        | December 2019G        | December 2020G | 2019G – 2021G                  |
| Machinery and equipment            | (0,1)   | (3,5)         | (0,2)        | 4,516,4%              | (93,6%)        | 54,1%                          |
| Furniture and fixtures             | (0,9)   | (3,6)         | (0,7)        | 294,6%                | (80,9%)        | (10,7%)                        |
| Computers                          | (0,1)   | (0,3)         | (0,0)        | 225,9%                | (89,4%)        | (34,6%)                        |
| Cars                               | (0,2)   | (0,8)         | (0,7)        | 245,7%                | (17,9%)        | 51,8%                          |
| Improvements on leased<br>premises | (0,3)   | (8,2)         | (1,2)        | 2,500,1%              | (85,6%)        | 69,6%                          |
| refrigerators                      | (1,3)   | -             | -            | NA                    | NA             | NA                             |
| <b>Total</b>                       | <b>(3,0)</b>                                  | <b>(16,5)</b> | <b>(2,8)</b> | <b>456,0%</b>         | <b>(83,0%)</b> | <b>(2,2%)</b>                  |

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Note: "NA" indicates that the ratio of rise or fall is not calculated due to the presence of "zeroes".

### Machinery and equipment

The exclusions during the fiscal year 2021G included the sale of the Henny Penny and air conditioners/refrigerator for the discontinued operations of Meshwar Pizza.

### Furniture and fixtures

The exclusions during the fiscal year 2020G mainly relate to the liquidation of two investments in two brands: Chicks House and Shawarma Mahboub.

### Computers

Exclusions during fiscal year 2020G and 2021G included laptops, desktop computers and printers.

### Cars

The exclusions during the fiscal year 2020G were mainly related to the sale of cars, mostly Toyota-Yaris.

The exclusions during the fiscal year 2021G were mainly related to the sale of ten cars.

### Improvements on leased premises

The exclusions during the fiscal year 2020G were related to Mahboub Shawarma branches and Chicks House, where the two brands were liquidated.



### 6.6.3 Intangible assets - net

The following table shows the company's intangible assets for the financial years ending on December 31, 2019G, 2020G and 2021G:

Table No. (26): Intangible Assets

| Million Saudi Riyals                  | Fiscal Year ended on December 31 (Audited) |            |            | Increase / (decrease) |                | Compound annual growth rate |
|---------------------------------------|--|------------|------------|-----------------------|----------------|-----------------------------|
|                                       | 2019G                                      | 2020G      | 2021G      | December 2020G        | December 2021G | 2019G – 2021G               |
| <b>Cost</b>                           |  |            |            |                       |                |                             |
| Balance, at the beginning of the year | 0,2  | 0,4        | 0,5        | 51,5%                 | %29,9          | 31,1%                       |
| Additions                             | 0,2  | 0,2        | 0,2        | (15,8%)               | %15,3          | (1,2%)                      |
| Exclusions                            | (0,1)                                      | (0,1)      | (0,0)      | (22,1%)               | (%75,7)        | (48,6%)                     |
| Balance, at the end of the year       | 0,4  | 0,5        | 0,7        | 29,9%                 | %37,4          | 26,1%                       |
| <b>Accumulated amortization</b>       |  |            |            |                       |                |                             |
| Balance, at the beginning of the year | 0,2  | 0,2        | 0,3        | (2,3%)                | %44,3          | 14,7%                       |
| Carried forward on the year           | 0,1  | 0,1        | 0,1        | 95,6%                 | (%9,8)         | 25,5%                       |
| Exclusions                            | (0,1)                                      | (0,1)      | (0,0)      | (22,1%)               | (%80,8)        | (53,2%)                     |
| Balance, at the end of the year       | 0,2  | 0,3        | 0,4        | 44,3%                 | %43,6          | 33,8%                       |
| <b>Net book value</b>                 | <b>0,2</b>                                 | <b>0,2</b> | <b>0,3</b> | <b>16,6%</b>          | <b>30,4%</b>   | <b>18,2%</b>                |

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Note: "NA" indicates that the ratio of rise or fall is not calculated due to the presence of "zeroes".

As of December 31, 2021G, intangible assets represented Enterprise Resource Planning (ERP) software, point of sale software and various software licenses. The book value of intangible assets did not witness any material change between 2019G and 2020G. Then the book value increased by 30.4% from 0.2 million Saudi riyals as on December 31, 2020G to 0.3 million Saudi riyals as on December 31, 2021G, this was due to additions related to the Enterprise Resource Planning (ERP) software.

The value of additions to intangible assets amounted to 0.2 million Saudi riyals during the year 2020G and the year 2021G as well. The additions are associated with a number of applications that have been added to the ERP software.



#### 6.6.4 Capital work in progress

The following table shows the capital work under construction for the company for the financial years ending on December 31, 2019G, 2020G and 2021G:

Table No. (27): Capital works under construction

| Million Saudi Riyals                                | Fiscal Year ended on December 31<br>(Audited) |       |       | Increase / (decrease) |                   | Compound annual growth<br>rate |
|---|---|-------|-------|-----------------------|-------------------|--------------------------------|
|   | 2019G   | 2020G | 2021G | December<br>2020G     | December<br>2021G | 2019G – 2021G                  |
| Balance on January 1                                | 5,8   | -     | 2,4   | NA                    | NA                | NA                             |
| Additions during the year                           | -   | 2,4   | 3,9   | NA                    | 62,5%             | NA                             |
| Transferred to property, machinery and<br>equipment | -   | -     | (4,1) | NA                    | NA                | NA                             |
| Closed in expenses                                  | (5,8)   | -     | -     | -                     | -                 | -                              |
| Balance at the end of the year                      | -   | 2,4   | 2,2   | NA                    | (8,7%)            | NA                             |

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Note: "NA" indicates that the ratio of rise or fall is not calculated due to the presence of "zeroes".

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### 6.6.5 Work in progress as of December 31, 2021

The following table shows the capital work under construction for the company for the fiscal years ending on December 31, 2021:

Table No. (28): Capital works under construction as on December 31, 2021G

| Million Saudi Riyals                       | Expected cost | Cost December 2021 | Completion rate |
|--|---------------|--------------------|-----------------|
| HPP devices                                | 1,6           | 1,5                | 90,0%           |
| Quiznos Sub Branch - Salah Al Din - Riyadh | 0,5           | 0,3                | 48,0%           |
| Juice Time Branch - Exit 36 - Riyadh       | 0,2           | 0,2                | 99,0%           |
| Juice Time Branch - Ramah - Riyadh         | 0,1           | 0,1                | 92,0%           |
| Administrative Offices                     | 0,2           | 0,1                | 32,0%           |
| Warehouse - Riyadh                         | 0,3           | 0,0                | 4,0%            |
| <b>Total</b>                               | <b>3,0</b>    | <b>2,2</b>         |                 |

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As of December 31, 2021G, the capital works under construction mainly included HPP devices, in addition to the two Quiznos branches on Salah El Din Street and the Juice Time branch at Exit 36. The referred works represented 91.3% of the total cost as of December 31, 2021G.

The expected total cost of the projects under construction amounted to 3.0 million Saudi riyals as of last December 31, 2021G. It should be noted that 72.0% of the mentioned cost has already been incurred as of December 31, 2021G.

HPP devices include raw material preservation machines that are used to sterilize raw materials from all types of bacteria. It is expected that these devices will be shipped and installed by December 2023G. It is worth noting that the two branches of Juice Time, located at Exit 36, were opened in accordance with the business plan developed by the company.

Administrative offices under construction are mainly connected to the Riyadh office located on Dammam Road.

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### 6.6.6 Right to use assets, net

The following table shows the right to use assets, net of the company, for the financial years ending on December 31, 2019G, 2020G and 2021G:

Table No. (29): Right to use assets, net

| Million Saudi Riyals                  | Fiscal Year ended on December 31 (Audited) |             |             | Increase / (decrease) |                | Compound annual growth rate |
|---------------------------------------|--|-------------|-------------|-----------------------|----------------|-----------------------------|
|                                       | 2019G                                      | 2020G       | 2021G       | December 2020G        | December 2021G | 2019G – 2021G               |
| <b>Cost</b>                           |  |             |             |                       |                |                             |
| Balance on January 1                  | 62,9                                       | 63,0        | 65,3        | -                     | 3,8%           | 1,5%                        |
| Additions during the year             | -  | 2,4         | 4,7         | NA                    | 94,8%          | NA                          |
| Exclusions during the year            | -  | -           | (10,4)      | NA                    | NA             | NA                          |
| Balance at December 31                | 62,9                                       | 65,3        | 59,5        | 3,8%                  | (8,9%)         | (2,2%)                      |
| <b>Accumulated depreciation</b>       |  |             |             |                       |                |                             |
| Balance Jan 1                         | -  | 13,5        | 26,7        | NA                    | 98,0%          | NA                          |
| Loaded during the year                | 13,5                                       | 13,2        | 12,6        | (2,0%)                | (4,8%)         | (2, %7)                     |
| Exclusions during the year            | -  | -           | (8,3)       | NA                    | NA             | NA                          |
| Balance at December 31                | 13,5                                       | 26,7        | 31,0        | 98,0%                 | 15,9%          | 39,4%                       |
| Net book value at the end of the year | <b>49,4</b>                                | <b>38,6</b> | <b>28,5</b> | <b>(21,9%)</b>        | <b>(26,0%)</b> | <b>(19,7%)</b>              |

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Note: "NA" indicates that the ratio of rise or fall is not calculated due to the presence of "zeroes".

The book value of the right-of-use assets of the company decreased by 21.9% from SAR 49.4 million as on December 31, 2019G to SAR 38.6 million as on December 31, 2020G, with an additional decrease of 26.0% from SAR 38.6 million as on December 31, 2020G to SAR 28.5 million as on December 31, 2021G.

During the year of 2020G, the additions to right-of-use assets which amounted to SAR 2.4 million were related to 9 new sites leased by the company, including 8 sites designated for juice time, while the remaining site was for storage.

During the year of 2021G, the additions to right-of-use assets which amounted to SAR 4.7 million were related mainly to 21 new sites leased by the company, including 11 sites for storage while the ten remaining sites were for juice time.

During the fiscal year 202G, the disposals from the right-of-use assets amounted to SAR 2.0 million were related to the termination of the contract of 12 sites leased by the company, including 9 storage sites and the remaining 3 sites associated with three brands (Juice Time, Mahboob Shawarma, and Chick House).

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### 6.6.7 Current Assets

The table below shows the current assets of the Company for the years ended December 31, 2019G, 2020G and 2021G:

Table No. (30): Current Assets

| SAR in million                         | FY ended December 31 (Audited) |             |             | Increase /(Decrease) |                | CAGR            |
|--|--------------------------------|-------------|-------------|----------------------|----------------|-----------------|
|  | 2019G                          | 2020G       | 2021G       | December 2019G       | December 2020G | 2019G-2020G     |
| Inventories                            | 9,8                            | 5,8         | 7,0         | (41,0%)              | 21,5%          | (12,5%)         |
| Trade receivables                      | 4,1                            | 4,1         | 6,0         | 0,2%                 | 47,0%          | 16,8%           |
| Prepaid expenses and other receivables | 10,7                           | 9,5         | 12,0        | (12,0%)              | 26,5%          | N/A             |
| Due from related parties               | 0,1                            | -           | 0,2         | (100,0%)             | N/A            | 37,9%           |
| Cash and cash equivalents              | 2,1                            | 10,0        | 7,0         | 377,1%               | (29,6%)        | 62,4%           |
| <b>Total non-current assets</b>        | <b>26,8</b>                    | <b>29,3</b> | <b>32,3</b> | <b>9,3%</b>          | <b>10,0%</b>   | <b>(100,0%)</b> |

Source: Financial Statements and Company Information

Note: "NA" refers to the non-calculation of the increase or decrease ratio due to "zeros."

Current assets consist primarily of prepaid expenses, balances, cash and inventory, which together accounted for 84.4%, 86.0% and 80.7% of total current assets as at December 31, 2019G, December 31, 2020G and December 31, 2021G respectively. The value of current assets increased by 9.3% at the period between December 31, 2019G and December 31, 2020G due to an increase in cash and cash equivalents by SAR 7.9 million. Current assets increased again by 10.0% at the period between December 31, 2020G and December 31, 2021G as a result of an increase in prepaid expenses and other debit balances by SAR 2.5 million and trade receivables by SAR 1.9 million. This increase was offset by a partial decrease in cash and cash equivalents by SAR 3.0 million.

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### 6.6.8 Trade receivables

The table below shows trade receivables of the Company for the years ended December 31, 2019G, 2020G and 2021G:

Table No. (31) :trade receivables

| SAR in million                            | FY ended December 31<br>(Audited) |            |            | Increase /(Decrease) |                     | CAGR         |
|---|-----------------------------------|------------|------------|----------------------|---------------------|--------------|
|   | 2019G                             | 2020G      | 2021G      | December<br>r 2020G  | December<br>r 2021G | 2019G-2021G  |
|   | Development Works Food Company    | 4,1        | 3,1        | 5,3                  | (24,7%)             | 71,9%        |
| Al Faddan Company for Fruits & Vegetables | -                                 | 1,0        | 0,7        | N/A                  | (28,2%)             | N/A          |
| <b>Total</b>                              | <b>4,1</b>                        | <b>4,1</b> | <b>6,0</b> | <b>%0,2</b>          | <b>%47,0</b>        | <b>%16,8</b> |

Source: Financial Statements and Company Information

Note: "NA" refers to the non-calculation of the increase or decrease ratio due to "zeros. "

Trade receivables increased by 47.0% as of December 31, 2021G due mainly to the increase in sales to companies during 2021G compared to 2020G.

### 6.6.9 Trade receivables ageing analysis - DWFC

The table below shows the ageing of the Company's trade receivables for the years ended December 31, 2019G, 2020G and 2021G:

Table No. (32) :Trade receivables ageing - DWFC

| SAR in million     | FY ended December 31 (Audited) |            |            | Increase /(Decrease) |                   | CAGR         |
|--------------------|--------------------------------|------------|------------|----------------------|-------------------|--------------|
|                    | 2019G                          | 2020G      | 2021G      | December<br>2020G    | December<br>2021G | 2019G-2021G  |
| 0-30 days          | 1,6                            | 1,0        | 2,8        | (42,3%)              | 193,7%            | 23,5%        |
| 30-60 days         | 0,4                            | 1,5        | 0,9        | 299,6%               | (36,5%)           | 45,1%        |
| 60-90 days         | 0,3                            | 0,1        | 0,1        | (56,5%)              | (16,3%)           | (33,2%)      |
| 90-120 days        | 0,7                            | 0,0        | 0,1        | (94,7%)              | 58,0%             | (62,8%)      |
| More than 120 days | 1,0                            | 0,5        | 1,4        | (55,0%)              | 200,5%            | 12,9%        |
| <b>Total</b>       | <b>4,1</b>                     | <b>3,1</b> | <b>5,3</b> | <b>(24,7%)</b>       | <b>71,9%</b>      | <b>10,9%</b> |

Source: Company Information

Aged trade receivables for a period of more than 120 days represented 26.0% of the total receivables of DWFC as on December 31, 2021G.



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### 6.6.10 Trade receivables ageing analysis - Al Faddan Company for Fruits & Vegetables

The table below shows the ageing of the trade receivables of Al Faddan Company for Fruits & Vegetables for the years ended December 31, 2019G, 2020G and 2021G:

Table No. (33) :Trade receivables ageing -Al Faddan Company for Fruits & Vegetables

| SAR in million     | FY ended December 31 (Audited) |       |       | Increase /(Decrease) |                | CAGR        |
|--------------------|--------------------------------|-------|-------|----------------------|----------------|-------------|
|                    | 2019G                          | 2020G | 2021G | December 2020G       | December 2021G | 2019G-2021G |
| 0-30 days          | -                              | 0,3   | 0,2   | N/A                  | (39,7%)        | N/A         |
| 30-60 days         | -                              | 0,4   | 0,2   | N/A                  | (42,9%)        | N/A         |
| 60-90 days         | -                              | 0,3   | 0,2   | N/A                  | (27,1%)        | N/A         |
| 90-120 days        | -                              | 0,0   | 0,0   | N/A                  | 57,4%          | N/A         |
| More than 120 days | -                              | 0,1   | 0,1   | N/A                  | 90,4%          | N/A         |
| <b>Total</b>       | -                              | 1,0   | 0,7   | <b>N/A</b>           | <b>(28,2%)</b> | <b>N/A</b>  |

Source: Company Information

Aged trade receivables for a period of more than 120 days represented 14.6% of the total receivables of Al Faddan Company for Fruits & Vegetables as on December 31, 2021G.

### 6.6.11 Inventory

The table below shows the Company's inventory for the years ended December 31, 2019G, 2020G and 2021G:

Table No. (34) :Inventory

| SAR in million      | FY ended December 31 (Audited) |            |            | Increase /(Decrease) |                | CAGR            |
|---------------------|--------------------------------|------------|------------|----------------------|----------------|-----------------|
|                     | 2019G                          | 2020G      | 2021G      | December 2019G       | December 2020G | 2019G-2021G     |
| Raw materials       | 4,2                            | 2,3        | 3,5        | (44,4%)              | 51,4%          | (6,7%)          |
| Packaging materials | 4,5                            | 2,5        | 2,3        | (44,9%)              | (7,7%)         | (23,7%)         |
| Operating supplies  | 1,1                            | 0,9        | 1,2        | (11,5%)              | 24,2%          | 3,9%            |
| <b>Total</b>        | <b>9,8</b>                     | <b>5,8</b> | <b>7,0</b> | <b>(41, %0)</b>      | <b>21,5%</b>   | <b>(100,0%)</b> |

Source: Financial Statements and Company Information

. Note: "NA" refers to the non-calculation of the increase or decrease ratio due to "zeros"

The inventory consists of raw materials, packaging materials and operating supplies. Net inventory balance decreased by 41.0% from SAR 9.8 million as at December 31, 2019G to SAR 5.8 million as at December 31, 2020G as a result of reduced sales during the spreading period of the corona pandemic and the restrictions that accompanied it.

Thereafter, the value of inventory increased by 21.5% to SAR 7.0 million as at 31 December 2021G due to the increase in the quantity of raw material purchases during the year.

Main raw materials (depending on the hierarchy of value) include frozen fruits used in juice time. The value of raw materials increased by 51.4% from SAR 2.3 million as on December 31, 2020G to SAR 3.5

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million as on December 31, 2021G after the mitigation restrictions related to the corona pandemic and increasing demand partially. The Management had therefore decided to maintain a higher inventory in order to meet the growing demand.

Packaging materials include cups with logos, plastic bags and wipes. Packaging material amounts decreased by 7.7% from SAR 2.5 million as at December 31, 2020G to SAR 2.3 million as on December 31, 2021G after the two brands of the Chicks House and Mahboob Shawarma were liquidated. Therefore, packaging materials related to these brands have been derecognized.

Operating supplies include uniforms, shirts, garbage bags and knives. The operating supplies value increased by 24.2% from SAR 0.9 million as at December 31, 2020G to SAR 1.2 million as at December 31, 2021G as a result of higher purchases.

### 6.6.12 Prepaid expenses and other receivables

The table below shows the Company's prepaid expenses and other receivables for the years ended December 31, 2019G, 2020G and 2021G:

Table No. (35) :prepaid expenses and other receivables

| SAR in million                              | FY ended December 31<br>(Audited) |            |             | Increase /(Decrease) |                     | CAGR          |
|---|-----------------------------------|------------|-------------|----------------------|---------------------|---------------|
|   | 2019G                             | 2020G      | 2021G       | December<br>2020G    | December<br>r 2021G | 2019G-2021G   |
| Prepaid expenses                            | 4,9                               | 4,4        | 4,6         | (10,4%)              | 4,1%                | (2,8%)        |
| Advances to suppliers and other receivables | 9,0                               | 4,1        | 6,4         | (55,0%)              | 58,1%               | (12,7%)       |
| Advances to employees                       | 0,8                               | 0,9        | 0,8         | 16,2%                | (7,1%)              | 3,1%          |
| Letter of Guarantee                         | 0,1                               | 0,1        | 0,1         | (23,8%)              | 35,1%               | 1,2%          |
| <b>Total</b>                                | <b>14,8</b>                       | <b>9,5</b> | <b>12,0</b> | <b>(36,2%)</b>       | <b>26,5%</b>        | <b>(8,2%)</b> |

Source: Financial Statements and Company Information

Note: "NA" refers to the non-calculation of the increase or decrease ratio due to "zeros. "

Prepaid expenses and other receivables mainly include prepaid expenses, advances to suppliers and other receivables, which accounted for the bulk of the balance of prepaid expenses and other receivables.

Prepaid expenses decreased by 10.4% from SAR 4.9 million as at December 31, 2019G to SAR 4.4 million as at December 31, 2020G. The amount of expenses then increased by 4.1% from SAR 4.4 million as of December 31, 2020G to SAR 4.6 million as of December 31, 2021G after higher fees for renewal of work permit and prepaid medical/real estate insurance.

The number of advances to suppliers and other receivables decreased by 55.0% from SAR 9.0 million as of December 31, 2019G to SAR 4.1 million as of December 31, 2020G as a result of the verification of part of the advances that had been granted to various vendors who provided the company with assets, raw materials and other professional services. The value of the advances increased again to 6.4 million Saudi riyals as on December 31, 2021G as a result of making advances to Fares Al-Mulhim Al-Anazi Clinic,

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Serene Restaurants Company and Suqur Aljazira Security Guarding, amounting to SAR 1.8 million, 1.4 million and 1.2 million, respectively. These advances were linked to ongoing operations services.

Employee advances increased by 16.2% from SAR 0.8 million as at December 31, 2019G to SAR 0.9 million as at December 31, 2020G. The balance then decreased again by 7.1% from SAR 0.9 million as at December 31, 2020G to SAR 0.8 million as at December 31, 2021G. The value of these receivables fluctuates within the normal course of business.

There was no material change on insurances of LGs between 2019G and 2021G.

### 6.6.13 Related Party Transactions

The table below shows the Company's related party transactions for the years ended December 31, 2019G, 2020G and 2021G:

Table No. (36): Related Party Transactions

| Name                                      | Relation type               | Transaction type       | SAR in million |       |            |
|---|-----------------------------|------------------------|----------------|-------|------------|
|   |                             |                        | 2019G          | 2020G | 2021G      |
| <b>Due from related parties</b>           |                             |                        |                |       |            |
| Nasser Al Sayari                          | partner in a subsidiary     |                        | -              | -     | 0.1        |
| Al Faddan Company for Fruits & Vegetables |                             | Raw Material Purchases | 0.1            |       |            |
| Ajdan fruits & vegetables Company         | Sister company              | Raw Material Purchases |                | -     | 0.2        |
| <b>Total</b>                              |                             |                        | 0.1            | -     | <b>0.2</b> |
| <b>Due to related parties</b>             |                             |                        |                |       |            |
| Ashry Saad Mazal Al-Ashry                 | Former Chairman             | Bounce                 | -              | 0.3   | -          |
| Nasser Al Sayari                          | Shareholder in a subsidiary | Bounce                 | -              | 0.2   | -          |
| <b>Total</b>                              |                             |                        | -              | 0.5   | -          |

Source: Company Information

As on 31 December 2021G, receivables (due) from the related parties were linked to an advance paid to Nasser Al Sayari (SAR 65.7 thousand) to purchase off-market supplies (fruits and vegetables).

The said amounts were related to purchases by Ajdan fruits & vegetables Company of raw materials (SAR 0.2 million) from Al Faddan Company for Fruits & Vegetables in the ordinary course of business.

In respect of amounts due to related parties, the above amounts related to dues of Ashry Al-Ashry (Former Chairman) and Nasser Al Sayari at the expense of the remuneration of the Board of Directors.

There were no balances due to the related parties until December 2021G.

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### 6.6.14 Cash & cash equivalents

The table below shows the Company's Cash & cash equivalents for the years ended December 31, 2019G, 2020G and 2021G:

Table No. (37) :Cash & cash equivalents

| SAR in million | FY ended December 31 (Audited) |             |            | Increase /(Decrease) |                | CAGR         |
|----------------|--------------------------------|-------------|------------|----------------------|----------------|--------------|
|                | 2019G                          | 2020G       | 2021G      | December 2020G       | December 2021G | 2019G-2021G  |
| Bank balance   | 1,5                            | 9,7         | 6,5        | 524,7%               | (32, %4)       | 77,9%        |
| Cash in hand   | 0,5                            | 0,3         | 0,5        | (41,1%)              | 56,0%          | (3,3%)       |
| <b>Total</b>   | <b>2,1</b>                     | <b>10,0</b> | <b>7,0</b> | <b>377,1%</b>        | <b>(29,6%)</b> | <b>62,4%</b> |

Source: Financial Statements and Company Information

Note: "NA" refers to the non-calculation of the increase or decrease ratio due to "zeros. "

Cash & cash equivalents consist of bank balance and cash in hand.

The company maintains accounts with several banks including SABB, Riyadh Bank, Alinma Bank and Al Rajhi Bank. Bank balances increased by 524.7% from SAR 1.5 million as at December 31, 2019G to SAR 9.7 million as at December 31, 2020G. The main reason therefore is cash flows collected from operating activities and reducing cash outflows associated with financing activities after extending the grace and repayment period for various loans and rents.

Bank balances decreased by 32.4% from SAR 9.7 million as of December 31, 2020G to SAR 6.5 million as of December 31, 2021G as a result of business expansion and continued spending.

Cash in hand decreased by 41.1% from SAR 0.5 million as on December 31, 2019G to SAR 0.3 million as on December 31, 2020G as a result of the suspension of operation within the normal course of business and because of the suspension of three brands. Due to the increase in sales, the balance increased by 56.0% from SAR 0.3 million as of December 31, 2020G to SAR 0.5 million as of December 31, 2021G.

### 6.6.15 Equity

The table below shows the Company's equity for the years ended December 31, 2019G, 2020G and 2021G:

Table No. (38) :Equity

| SAR in million                  | FY ended December 31 (Audited) |             |             | Increase /(Decrease) |                | CAGR          |
|---------------------------------|--------------------------------|-------------|-------------|----------------------|----------------|---------------|
|                                 | 2019G                          | 2020G       | 2021G       | December 2020G       | December 2021G | 2019G-2021G   |
| Paid-in capital                 | 12,5                           | 25,0        | 30,0        | 100.0%               | 20.0%          | 54.9%         |
| Statutory reserve               | 2,4                            | 2,4         | 0,7         | -                    | (70.4%)        | (45.6%)       |
| Retained earnings               | 24,0                           | 3,1         | 1,8         | (87.2%)              | (40.2%)        | (72.3%)       |
| Non-controlling equity interest | -                              | 0,4         | 0,5         | N/A                  | 28.0%          | N/A           |
| <b>Total of Equity</b>          | <b>38,9</b>                    | <b>30,9</b> | <b>33,1</b> | <b>(20,6%)</b>       | <b>7,0%</b>    | <b>(7,8%)</b> |

Source: Financial Statements and Company Information



### **(a) Paid-in capital**

The capital consists of 3 million shares of SAR 1,000 each (December 31, 2020G: SAR 25.0 million and share value SAR 10). Capital increased by 100,000% or SAR 12.5 million from SAR 12.5 million as of December 31, 2019G to SAR 25.0 million as of December 31, 2020G, with an additional increase to SAR 30,000 million as of December 31, 2021G as a result of issuing new shares.

It should be noted that the capital increasing from SAR 12.5 million to SAR 25.0 million between December 31, 2019G and December 31, 2020G was made by distributing a free share of retained earnings per share of SAR 12.5 million with a total number of free shares of 1,250,000 shares.

Related to the additional increase in capital between 31 December 2020G and 31 December 2021G, this increase resulted from the distribution of free shares of retained earnings and statutory reserves of SAR 5.0 million, with a total number of free shares 500,000 shares.

### **(b) Statutory reserve**

In accordance with the KSA Companies Law, the Company must set aside 10% of its net income after deducting losses carried over each year until the reserve totals 30% of the share capital. The statutory reserve is not available for distribution except for cases under the KSA Companies Law. The statutory reserve decreased from SAR 2.4 million as of 31 December 2020G to SAR 0.7 million as of 31 December 2021G following the transfer of SAR 1.9 million from the statutory reserve to the capital.

### **(c) Retained earnings**

The retained earnings decreased from SAR 24.0 million as of December 31, 2019G to SAR 3.1 million as of December 31, 2020G as a result of losses incurred by the Company during the period of spread of the corona pandemic (in 2020G). The retained earnings continued to decrease by 40.2% from SAR 3.1 million as of December 31, 2020G to SAR 1.8 million as of December 31, 2021G because of the transfer of SAR 3.1 million from the retained earnings to the capital.

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### 6.6.16 Accrued expenses and other payables

The table below shows the Company's accrued expenses and other payables for the years ended December 31, 2019G, 2020G and 2021G:

Table No. (39): Accrued expenses and other payables

| SAR in million   | FY ended December 31 (Audited) |            |            | Increase /(Decrease) |                | CAGR          |
|------------------|--------------------------------|------------|------------|----------------------|----------------|---------------|
|                  | 2021G                          | 2020G      | 2019G      | December 2019G       | December 2020G | 2019G-2021G   |
| Accrued expenses | 3,2                            | 1,7        | 1,4        | (46,3%)              | (17,9%)        | (27,9%)       |
| Supplier Asset   | 0,6                            | 0,8        | 0,3        | 21,6%                | (66,5%)        | (30,1%)       |
| VAT trusts       | 0,2                            | 0,7        | 0,8        | 223,3%               | 12,4%          | 67,5%         |
| Other            | -                              | 0,8        | 0,9        | N/A                  | 9,1%           | N/A           |
| <b>Total</b>     | <b>4,1</b>                     | <b>4,0</b> | <b>3,3</b> | <b>(2,0%)</b>        | <b>(16,4%)</b> | <b>(7,7%)</b> |

Source: Financial Statements and Company Information

Note: "NA" refers to the non-calculation of the increase or decrease ratio due to "zeros."

Accrued expenses and other payables mainly include accrued expenses and payables to suppliers that collectively represent 94.8%, 62.5% and 50.4% of the total accrued expense balance and other payables as at December 31, 2019G, December 31, 2020G and December 31, 2021G, respectively.

Payables to asset suppliers increased by 21.6% from SAR 0.6 million as on December 31, 2019G to SAR 0.8 million as on December 31, 2020G as a result of the increase in the value of payments granted to suppliers of packaging products and car rental service. The balance decreased again by 66.5% from SAR 0.8 million as on December 31, 2020G to 0.3 SAR million as on December 31, 2021G. This is mainly due to lower payables to packaging suppliers and maintenance service providers.

The Company's accrued expenses and other payables decreased by 2.0% from SAR 4.1 million as at December 31, 2019G to SAR 4.0 million as at December 31, 2020G, as a result of the liquidation of "Chicks House" and "Mahboob Shawarma" brands during 2020G, thus reducing the Group's expenses. The decrease was partially offset by an increase in the value of accrued expenses and other payables after the acquisition of a new company (Al Faddan Company for Fruits & Vegetables). Accrued expenses and other payables continued to decrease by 16.4% from SAR 4.0 million as at 31 December 2020G to SAR 3.3 million as at 31 December 2021G following the liquidation of the brand (Mishwar Pizza) during 2021G, resulting in lower expenses and payables to asset suppliers. However, the said decrease was partially offset by the acquisition of asset insurance payable to Al-Rajhi Insurance and the higher VAT balance payable.

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### 6.6.17 Loans and Credit Facilities

The table below shows the Company's Loans and Credit Facilities for the years ended December 31, 2019G, 2020G and 2021G:

Table No. (40) :Loans and Credit Facilities

| SAR in million                | FY ended December 31 (Audited) |             |             | Increase /(Decrease) |                | CAGR          |
|-------------------------------|--------------------------------|-------------|-------------|----------------------|----------------|---------------|
|                               | 2021G                          | 2020G       | 2019G       | December 2020G       | December 2021G | 2019G-2021G   |
| Balance at January            | 32,2                           | 32,6        | 33,4        | 1,3%                 | 2,4%           | 1,5%          |
| Received during the year      | 6,8                            | 6,1         | -           | (10,5%)              | (100,0%)       | (100,0%)      |
| Paid during the year          | (6,4)                          | (5,3)       | (1,8)       | (16,9%)              | (66,7%)        | (40,2%)       |
| <b>Balance at 31 December</b> | <b>32,6</b>                    | <b>33,4</b> | <b>31,6</b> | <b>2,4%</b>          | <b>(5,3%)</b>  | <b>(1,2%)</b> |
| Non-current portion           | 29,5                           | 27,3        | 17,7        | (7, %7)              | (%35,1)        | (%18,5)       |
| Current portion               | 3,1                            | 6,1         | 13,9        | 99,8%                | 127,5%         | 83,2%         |

Source: Financial Statements and Company Information

Note: "NA" refers to the non-calculation of the increase or decrease ratio due to "zeros. "

Table No. (41) :Loans and Facilities details

| SAR in million             | Facilities Type | Profit Margin | Remaining Duration | Available Limit | Amount used | Remaining   | Guarantees   |
|----------------------------|-----------------|---------------|--------------------|-----------------|-------------|-------------|--|
| Al Rajhi Bank Facilities 1 | Long-term       | 5,5%          | 10                 | 10,0            | 4,2         | -           | Bonds by the Former Chairman - Ashry bin Saad Al Ashry |
| Al Rajhi Bank Facilities 2 | Long-term       | 4,2%          | 14                 | 10,0            | 6,3         | -           |  |
| Al Rajhi Bank Facilities 3 | Long-term       | 3,9%          | 30                 | 9,8             | 10,3        | -           |  |
| Al Rajhi Bank Facilities 4 | Long-term       | 4,0%          | 48                 | 7,0             | 8,0         | -           |  |
| Al Rajhi Bank Facilities 5 | Short-term      | 3,5%          | 2                  | 3,0             | 2,9         | 0,1         |  |
| Emirates NBD               | Short-term      | 3,5%          | 0                  | 10,0            | -           | 10,0        |  |
| <b>Total</b>               |                 |               |                    | <b>49.8</b>     | <b>31.6</b> | <b>10.1</b> |  |

Source: Company Information

The value of loans and credit facilities did not change substantially between 2019G and 2021G. The value of these loans and credit facilities increased by 2.4% from SAR 32.6 million as of December 31, 2019G to SAR 33.4 million as of December 31, 2020G as a result of obtaining a new loan of SAR 6.1 during 2020G.

The balance of facilities as at December 31, 2021G decreased by 5.3% as long as payment of the number of short-term facilities used from Emirates NBD.

The company has five active facilities with Al Rajhi Bank and one facility agreement with Emirates NBD. The interest rate of these facilities is based on a fixed rate plus SAIBOR. As of December 31, 2021G, the interest rate ranged between 3.5% and 5.5%.

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The Company has fulfilled all the financial commitments associated with the loan and credit facilities agreements concluded between 2019G and 2021G.

### 6.6.18 Lease liabilities

The table below shows the Company's lease liabilities for the years ended December 31, 2019G, 2020G and 2021G:

Table No. (42) :Lease liabilities

| SAR in million                        | FY ended December 31<br>(Audited) |       |       | Increase /(Decrease) |                     | CAGR            |
|---------------------------------------|-----------------------------------|-------|-------|----------------------|---------------------|-----------------|
|                                       | 2021G                             | 2020G | 2019G | December<br>r 2019G  | December<br>r 2020G | 2019G-<br>2021G |
| Lease liabilities-non-current portion | 32,5                              | 22,1  | 11,5  | (32,1%)              | (48,1%)             | (34,1%)         |
| Lease liabilities-current portion     | 13,4                              | 11,4  | 11,8  | (15,4%)              | 3,8%                | (5,1%)          |

Source: Financial Statements and Company Information

The non-current portion of the Company's lease liabilities decreased by 32.1% from SAR 32.5 million as at December 31, 2019G to SAR 22.1 million as at December 31, 2020G. A further decrease by 48.1% was recorded from SAR 22.1 million as at 31 December 2020G to SAR 11.5 million as at 31 December 2021G as a result of repayments within the normal course of business.

The current portion of the Company's lease liabilities decreased by 15.4% from SAR 13.4 million as at December 31, 2019G to SAR 11.4 million as at December 31, 2020G. Thereafter, the balance increased by 3.8% from SAR 11.4 million as at December 31, 2020G to SAR 11.8 million as at December 31, 2021G. The movement of such balances is affected by repayments and the changes in contract value.



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### 6.6.19 Liabilities of financial leasing contracts

The table below shows the Company's liabilities of financial leasing contracts for the years ended December 31, 2019G, 2020G and 2021G:

Table No. (43) :Liabilities of financial leasing contracts

| SAR in million   | FY ended on December 31 (Audited)  |            |            | Increase /(Decrease) |                | CAGR           |
|--|--|------------|------------|----------------------|----------------|----------------|
|  | 2021G  | 2020G      | 2019G      | December 2019G       | December 2020G | 2019G-2021G    |
|  | Lease liabilities against financial leasing contracts- non-current portion | 1,7        | 1,4        | 0,5                  | (15,7%)        | (66,0%)        |
| Lease liabilities against financial leasing contracts- current portion | 0,4  | 0,3        | 0,6        | (30,9%)              | 121,4%         | 18,5%          |
| <b>Total</b>   | <b>2,1</b>   | <b>1,7</b> | <b>1,1</b> | <b>(18,8%)</b>       | <b>(33,7%)</b> | <b>(21,9%)</b> |

Source: Financial Statements and Company Information

Note: "NA" refers to the non-calculation of the increase or decrease ratio due to "zeros. "

The Company's financial lease liabilities decreased by 18.8% from SAR 2.1 million as at December 31, 2019G to SAR 1.7 million as at December 31, 2020G. An additional decrease of 33.7% was recorded from SAR 1.7 million as at 31 December 2020G to SAR 1.1 million as at 31 December 2021G as a result of continuous repayments and no new additions during the year of 2020G and the year of 2021G.

### 6.6.20 Distribution of financial leasing contract liabilities

The table below shows the Company's Distribution of financial leasing contract liabilities for the years ended December 31, 2019G, 2020G and 2021G:

Table No. (44) :Distribution of financial leasing contract liabilities

| SAR in thousand   | FY ended on December 31 (Audited) |              |              | Increase /(Decrease) |                | CAGR        |
|---|-----------------------------------|--------------|--------------|----------------------|----------------|-------------|
|   | 2021G                             | 2020G        | 2019G        | December 2020G       | December 2021G | 2019G-2021G |
| Abdul Latif Jameel Finance                                  | -                                 | 626          | 494          | N/A                  | (21.1%)        | N/A         |
| AJIL Financial Services Company                             | -                                 | 169          | -            | N/A                  | (100.0%)       | N/A         |
| YANAL Finance Company (Formerly Saudi ORIX Leasing Company) | -                                 | 895          | 627          | N/A                  | (30.0%)        | N/A         |
| <b>Total</b>  | <b>-</b>                          | <b>1,690</b> | <b>1,121</b> | <b>N/A</b>           | <b>(33.7%)</b> | <b>N/A</b>  |

Source: Company Information



## 6.7 Consolidated statement of cash flows

The following table shows the company's consolidated cash flow statement for the financial years ending on December 31, 2019G, 2020G and 2021G:

Table No. (45): Consolidated Statement of Cash Flows

| Million Saudi Riyals                               | Fiscal Year ended on December 31 Audited) |             |            | Increase / (decrease) |                | Compound annual growth rate |
|--|---|-------------|------------|-----------------------|----------------|-----------------------------|
|  | 2019G                                     | 2020G       | 2021G      | December 2020G        | December 2021G | 2019G -2021G                |
| Net cash flow from operating activities            | 35,9                                      | 16,7        | 16,9       | (53,4%)               | 1,2%           | (25,9%)                     |
| Net cash flow (used in) investing activities       | (86,6)                                    | (0,9)       | (6,7)      | (99,0%)               | 639,1%         | (64,1%)                     |
| Net cash flows (used in) financing activities      | 49,5                                      | (7,9)       | (13,2)     | (116,0%)              | 66,7%          | NA                          |
| Net change in cash and cash equivalents            | (1,2)                                     | 7,9         | (3,0)      | (754,9%)              | (137,4%)       | 43,1%                       |
| Cash and the like, as at the beginning of the year | 3,3                                       | 2,1         | 10,0       | (36,5%)               | 377,1%         | 55,8%                       |
| Cash and the like at the end of the year           | <b>2,1</b>                                | <b>10,0</b> | <b>7,0</b> | <b>377,1%</b>         | <b>(29,6%)</b> | <b>62,4%</b>                |

Issuer: financial statements and company information

Note: "NA" indicates that the ratio of rise or fall is not calculated due to the presence of "zeroes".

The company's cash balance increased by 377.1% from 2.1 million Saudi Riyals as of December 31, 2019G to 10.0 million Saudi Riyals as of December 31, 2020G. This increase was mainly caused by the rescheduling of the loan repayment according to the deferred payment program of the Saudi Arabian Monetary Agency. The company's cash then decreased by 29.6% from 10.0 million Saudi Riyals as of December 31, 2020G to 7.0 Million Saudi Riyals as of December 31, 2021G as a result of continued spending on expanding the company's business by opening new outlets.

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### 6.7.1 Cash flows from operating activities

The following table shows the cash flows from the Company's operating activities for the fiscal years ended December 31, 2019G, 2020G and 2021G:

Table No. (46): Cash Flows from Operating Activities

| Million Saudi Riyals  | Fiscal Year ended on December 31 (Audited) |             |             | Increase / (decrease) |                | Compound annual growth rate |
|---|--|-------------|-------------|-----------------------|----------------|-----------------------------|
|   | 2019G                                      | 2020G       | 2021G       | December 2020G        | December 2021G | 2019G -2021G                |
| <b>Cash flows from operating activities</b>   |  |             |             |                       |                |                             |
| Profit (loss) for the year before zakat   | 8,6  | (7,9)       | 3,0         | (191,6%)              | (138,3%)       | (40,8%)                     |
| <b>Adjustments to reconcile loss for the year to cash from operating activities</b> |  |             |             |                       |                |                             |
| Depreciation of property and equipment  | 8,1  | 10,6        | 9,6         | 31,9%                 | (9,9%)         | 9,0%                        |
| Losses (profits) on sale of property, plant and equipment                           | (0,0)                                      | 0,0         | (0,2)       | (1,682,7%)            | (583,6%)       | 774,9%                      |
| Depreciation of intangible assets   | 0,1  | 0,1         | 0,1         | 95,6%                 | (9,8%)         | 32,8%                       |
| Losses on disposal of intangible assets   | -  | 0,0         | 0,0         | NA                    | 6,022,4%       | NA                          |
| Depreciation of the right to use assets   | 13,5                                       | 13,2        | 12,6        | (2,0%)                | (4,8%)         | (3,4%)                      |
| Closing of capital work under construction in expenses                              | 5,8  | -           | -           | (100,0%)              | NA             | (100,0%)                    |
| Write off accounts receivable   | -  | 0,2         | 0,0         | NA                    | (95,9%)        | NA                          |
| Financing costs   | 2,5  | -           | -           | (100,0%)              | NA             | (100,0%)                    |
| Component of employee defined benefit obligations                                   | 1,1  | 0,6         | 0,6         | (44,0%)               | 1,3%           | (24,7%)                     |
| Adjustments for previous years on the zakat provision                               | -  | -           | 0,0         | NA                    | NA             | NA                          |
| The component of the zakat provision  | 0,3  | -           | -           | (100,0%)              | NA             | (100,0%)                    |
|   | 39,9                                       | 16,9        | 25,8        | (57,7%)               | 52,8%          | (19,6%)                     |
| <b>Changes in:</b>  |  |             |             |                       |                |                             |
| Inventory   | (2,8)                                      | 4,0         | (1,2)       | (246,2%)              | (130,8%)       | (32,9%)                     |
| Trade receivables   | -  | -           | (1,9)       | NA                    | NA             | NA                          |
| Prepaid expenses and other debit balances   | (2,4)                                      | 1,1         | (2,5)       | (147,6%)              | (323,1%)       | 3,0%                        |
| Due from related parties  | (0,1)                                      | (3,6)       | (0,2)       | 3,625,0%              | (94,0%)        | 49, %4                      |
| Trade payables  | -  | -           | (1,5)       | NA                    | NA             | NA                          |
| Accrued expenses and other credit balances  | 1,8  | (0,3)       | (0,7)       | (116,0%)              | 130,4%         | NA                          |
| Operation cash  | <b>36,4</b>                                | <b>18,2</b> | <b>17,7</b> | <b>(50,2%)</b>        | <b>(2,4%)</b>  | <b>(30,3%)</b>              |
| Paid from employee defined benefit obligations                                      | (0,4)                                      | (1,2)       | (0,5)       | 229,1%                | (58,0%)        | 17,6%                       |
| Paid from zakat   | (0,2)                                      | (0,2)       | (0,3)       | 15,7%                 | 21,2%          | 18,4%                       |
| <b>net cash flow from operating activities</b>                                      | <b>35,9</b>                                | <b>16,7</b> | <b>16,9</b> | <b>(53,4%)</b>        | <b>1,2%</b>    | <b>(31,3%)</b>              |

Issuer: financial statements and company information

Note: "NA" indicates that the ratio of rise or fall is not calculated due to the presence of "zeroes".

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Cash received from operating activities decreased by 19.1 million Saudi Riyals from 35.9 million Saudi Riyals as of December 31, 2019G to 16.7 Million Saudi Riyals as of December 31, 2020G. The movement was affected by a net loss recorded in the year 2020G, both from continuing and discontinued operations.

Cash from operating activities increased by 1.2% or 0.2 million Saudi Riyals from 16.7 million Saudi Riyals as of December 31, 2020G to 16.9 million Saudi Riyals as of December 31, 2021G due to increased sales and business level.

### 6.7.2 Cash flow from Investing Activities

The following table shows the cash flows from the company's investing activities for the fiscal years ending December 31, 2019G, 2020G and 2021G:

Table No. (47): Cash Flows from Investment Activities

| Million Saudi Riyals                                | Fiscal Year ended on<br>December 31 (Audited) |              |              | Increase / (decreased) |                     | Compound<br>annual growth<br>rate |
|---|---|--------------|--------------|------------------------|---------------------|-----------------------------------|
|   | 2019G   | 2020G        | 2021<br>G    | December<br>2020G      | December<br>r 2021G | 2019G – 2021G                     |
| <b>Cash flow from investing activities</b>          |   |              |              |                        |                     |                                   |
| Additions to property, plant and equipment          | (24,4)  | (4,8)        | (5,0)        | (80,2%)                | 4,5%                | (54,5%)                           |
| Proceeds from the sale of property and equipment    | 1,3   | 8,4          | 1,1          | 564,7%                 | (86,9%)             | (6,6%)                            |
| Additions to intangible assets                      | (0,2)   | (0,2)        | (0,2)        | (15,8%)                | 15,3%               | (1,5%)                            |
| Investment in sister companies                      | (0,4)   | 0,5          | (0,2)        | (242,9%)               | (135,3%)            | (29,0%)                           |
| Additions to capital work                           | -   | (2,4)        | 0,2          | NA                     | (108,7%)            | NA                                |
| Additions to the right to use assets                | (62,9)  | (2,4)        | (2,6)        | (96,2%)                | 7,0%                | (79,8%)                           |
| <b>net cash flow (used in) investing activities</b> | <b>(86,6)</b>                                 | <b>(0,9)</b> | <b>(6,7)</b> | <b>(99,0%)</b>         | <b>639,1%</b>       | <b>(72,2%)</b>                    |

Issuer: financial statements and company information

Note: "NA" indicates that the ratio of rise or fall is not calculated due to the presence of "zeroes".

Cash generated from investing activities decreased from 86.6 million Saudi Riyals as of December 31, 2019G to 0.9 Million Saudi Riyals as of December 31, 2020G. The movement was impacted by the company's recognition of right-of-use assets and additions to property and equipment amounting to 62.9 million Saudi Riyals, 2.4 million Saudi Riyals and 2.6 Million Saudi Riyals during 2019G, 2020G and 2021G respectively.

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### 6.7.3 Cash flows from financing activities

The following table shows the cash flows from the company's financing activities for the fiscal years ending on December 31, 2019G, 2020G and 2021G:

Table No. (48): Cash flows from financing activities

| Million Saudi Riyals  | Fiscal Year Ended<br>December 31 (Audited) |              |               | Increase/<br>(decrease) |                       | Compound<br>annual growth<br>rate |
|---|--|--------------|---------------|-------------------------|-----------------------|-----------------------------------|
|   | 2019G                                      | 2020G        | 2021G         | Decem<br>ber<br>2020G   | Decem<br>ber<br>2021G | 2019G - 2021G                     |
|   |  |              |               |                         |                       |                                   |
| <b>Cash flows from financing activities</b>                         |  |              |               |                         |                       |                                   |
| Dividends for Non-controlling interest                              | -  | -            | (0,2)         | NA                      | NA                    | NA                                |
| Settlements of non-controlling interests                            | -  | -            | (0,0)         | NA                      | NA                    | NA                                |
| Paid amounts of financing costs                                     | (0,4)                                      | -            | -             | (100,0%)                | NA                    | NA                                |
| Amendments to loans   | 0,4  | 0,8          | (1,8)         | 84,2%                   | (322,9%)              | NA                                |
| Amendments to the obligations of the financial lease contracts      | 0,9  | (0,4)        | (0,6)         | (145,1%)                | 45,9%                 | NA                                |
| Amendments to the lease obligations                                 | 48,6                                       | (12,5)       | (10,2)        | (125,7%)                | (18,5%)               | NA                                |
| Due to related parties  | -  | 4,2          | (0,5)         | NA                      | (111,5%)              | NA                                |
| <b>Net cash (spent in)/ generated from the financing activities</b> | <b>49,5</b>                                | <b>(7,9)</b> | <b>(13,2)</b> | <b>(116,0%)</b>         | <b>66,7%</b>          | <b>NA</b>                         |

Source: Financial statements and company information

Note: "Not applicable" indicates that the ratio of increase or decrease shall not be calculated due to the presence of 'zeroes'.

The cash flows from financing activities were mainly related to the amendments to lease obligations and the amendments to finance lease obligations.

### 6.7.4 Contingent Obligations and Liabilities

Contingent Obligations and Liabilities as of December 31, 2021G are related to the lease payments payable and a number of outstanding financial issues.

#### Rent

In respect of payable lease payments, the Company should pay SAR 23.2 million as of December 31, 2021G. The mentioned amount related to the lease of a number of fairs and administrative offices is divided into liabilities for a period of one year (11.8 million Saudi riyals) and liabilities for more than one year and less than five years (11.5 million Saudi riyals).

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### Lawsuits

The company, in its capacity as the claimant, filed a lawsuit worth 1.8 million Saudi riyals against one of its clients, and the judgment was given in the amount of 0.9 million Saudi riyals, and an execution request was submitted in respect of such judgment.

The second lawsuit is a claim worth 0.3 million Saudi riyals filed by the company against a client.

### 6.8 Capitalization of the company's capital and indebtedness

The following table shows the company's capitalization as it appears in the financial statements for the fiscal years ending on December 31, 2019G, 2020G and 2021G

Table No. (49): Capitalization of the company's capital and indebtedness

| Fiscal Year Ended December  |             |              |  |
|-----------------------------|-------------|--------------|--|
| 31 (Audited)                |             |              | Million Saudi Riyals   |
| 2021G                       | 2020G       | 2019G        |  |
| 17,7                        | 27,3        | 29,5         | Non-current portion of loans and credit facilities                           |
| 13,9                        | 6,1         | 3,1          | Current portion of loans and credit facilities                               |
| 11,5                        | 22,1        | 32,5         | lease obligations - non-current portion                                      |
| 11,8                        | 11,4        | 13,4         | lease obligations - Current portion  |
| 0,5                         | 1,4         | 1,7          | Lease obligations versus financing lease contracts - non-current portion     |
| 0,6                         | 0,3         | 0,4          | Lease obligations versus financing lease contracts - current portion         |
| <b>56,0</b>                 | <b>68,5</b> | <b>80,6</b>  | <b>Total loans and lease obligations</b>                                     |
| <b>Shareholders' equity</b> |             |              |  |
| 30,0                        | 25,0        | 12,5         | Paid Capital   |
| 0,7                         | 2,4         | 2,4          | Statutory reserve  |
| 1,8                         | 3,1         | 24,0         | Retained profits   |
| <b>32,6</b>                 | <b>30,5</b> | <b>38,9</b>  | <b>Total Shareholders' equity before deducting non-controlling interests</b> |
| 0,5                         | 0,4         | -            | Non-controlling interest proportion  |
| <b>33,1</b>                 | <b>30,9</b> | <b>38,9</b>  | <b>Total Shareholders' Equities</b>  |
| <b>89,0</b>                 | <b>99,4</b> | <b>119,5</b> | <b>Total capitalization (total loans + total shareholders' equity)</b>       |
| <b>0,6</b>                  | <b>0,7</b>  | <b>0,7</b>   | <b>Total Loans / Total Capitalization</b>                                    |

Source: Financial statements and company information



## 7. Use of Offering Proceeds and Future Projects

### 7.1 Net Offering Proceeds

The total proceeds of the Rights Offering are estimated at two hundred and sixteen million (216,000,000) Saudi riyals, of which an amount of nineteen million (19,000,000) Saudi riyals shall be paid to cover the Offering costs, which include the fees of the financial advisor, underwriting manager, underwriter, legal advisor, auditor, marketing, printing, distribution and other underwriting-related expenses.

Net proceeds of the Offering shall amount to about One hundred and ninety seven thousand (197,000,000) Saudi riyals, which shall be used in diversification and expansion of the company's activities, automation of production lines and optimization of its brands promotion to cover all regions in the Kingdom of Saudi Arabia, and to achieve the company's future goals in line with its aspirations. The shareholders shall not receive any of the proceeds arising from the offering. In the event of any deviation of (5%) or more between the actual use of the proceeds of the Offering and what was disclosed in this Prospectus, the Company shall disclose such a deviation to the public on the Saudi Stock Exchange (Tadawul) website. This is in accordance with Paragraph (b) of Article (54) of the Rules on Offering of Securities and Continuing Obligations which stipulates: "The issuer shall, in the event of any deviation of 5% or more from actual use of the proceeds of the issuance of Rights and what was disclosed in the prospectus, disclose each such case to the public once it becomes aware of it".

### 7.2 The use of Offering Proceeds

The Net Offering Proceeds shall be used mainly in diversification and expansion of the company's activities, automation of production lines and optimization of its brands promotion to cover all regions in the Kingdom of Saudi Arabia, and to achieve the company's future goals in line with its aspirations. The shareholders shall not receive any of the proceeds arising from the offering.

The Company shall use the Net Offering Proceeds in the following:

- 1) Changing its brand identity "Juice Time":** The company aims to renew the current identity of its brand "Juice Time" and to appear with a modern identity that keeps pace with the company's progressive developments and to increase sales and diversify products, which will have an impact on achieving higher profit margins. The estimated cost is (8,000,000) Saudi riyals, and the work plan is expected to start during the First Quarter of 2024G and shall be completed at the end of the First Quarter of 2025G.



- 2) Purchasing a place to be the company's headquarters:** The company is seeking to purchase a distinguished and vital place which shall become its headquarters to keep pace with the interim developments it seeks to achieve, the estimated cost is (10,000,000) Saudi riyals, and it is expected that the work plan to purchase a place shall start during the Second Quarter of 2024G and shall be completed in the Second Quarter of 2024G with the letter of award and the purchase of such place.
- 3) Branch expansion:** The company seeks to expand its brand branches, and this expansion shall be well-planned, suitably devised and in line with the new identity of the company and the interim developments that the company is working on. The estimated cost is (10,000,000) Saudi riyals, and the work plan is expected to start during the First Quarter of 2024G and shall be completed at the end of the Third quarter of 2024G.
- 4) Establishing a juice factory:** The company intends to establish a factory to produce fresh juices, whose shelf life extends for more than a month without the use of preservatives, which shall enhance the possibility of expanding points of sale through supermarkets, hypermarkets and corporate sales. The estimated cost is (15,000,000) Saudi riyals, and the work plan is expected to start during the First Quarter of 2024G and shall be completed at the end of the First Quarter of 2025G.
- 5) Investment in companies (same activity):** The company intends to invest in existing companies operating in the same activities as the company and which have high opportunities for growth and expansion and need financial support to enable them to succeed. The estimated cost is (42,480,000) Saudi riyals, and the work plan is expected to start during the First Quarter of 2024G and shall be completed at the end of the First quarter of 2025G.
- 6) Investment in companies (new activity):** The Company intends to invest in existing companies engaged in new activities that shall help in increasing the Company's sales, avoiding concentration of its sales and enhancing profit margins. The estimated cost is (111,520,000) Saudi riyals, and the work plan is expected to start during the Second quarter of 2024G and shall be completed at the end of the First Quarter of 2025G.





The following table indicates the expected use of the Offering Proceeds, phases of expenditures and the sources of financing:

Table No. (50): Expected Use of the offering Proceeds and phases of expenditures and the sources of financing.

| Usage / in Saudi Riyals*                          | 2023G             |                   | 2024G             |                   |                   | 2025G             | Total              | Percentage of the total % |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|---------------------------|
|   | Q4                | Q1                | Q2                | Q3                | Q4                | Q1                |                    |                           |
| Rebranding "Juice Time"                           | -                 | 2,000,000         | 1,500,000         | 1,500,000         | 1,500,000         | 1,500,000         | 8,000,000          | 3.70%                     |
| Purchasing a place for the Company's headquarters | -                 | -                 | 10,000,000        | -                 | -                 | -                 | 10,000,000         | 4.63%                     |
| Branch expansion                                  | -                 | 5,222,437         | 3,226,938         | 1,550,625         | -                 | -                 | 10,000,000         | 4.63%                     |
| Establishing a juice factory                      | -                 | 3,500,000         | 3,000,000         | 3,500,000         | 3,500,000         | 1,500,000         | 15,000,000         | 6.94%                     |
| Investment in companies (same activity)           | -                 | 10,000,000        | 10,000,000        | 8,480,000         | 7,000,000         | 7,000,000         | 42,480,000         | 19.67%                    |
| Investment in companies (new activities)          | -                 | -                 | 50,000,000        | 35,000,000        | 16,520,000        | 10,000,000        | 111,520,000        | 51.63%                    |
| Offering costs                                    | 19,000,000        | -                 | -                 | -                 | -                 | -                 | 19,000,000         | 8.80%                     |
| <b>Total</b>                                      | <b>19,000,000</b> | <b>20,722,437</b> | <b>77,726,938</b> | <b>50,030,625</b> | <b>28,520,000</b> | <b>20,000,000</b> | <b>216,000,000</b> | <b>100.00%</b>            |

Source: The Company

It is worth noting that the above-mentioned projects shall be funded exclusively from the Offering Proceeds.

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### The following schedule shows the milestones of the future project implementation:

Table No. (51): The schedule and the milestones of the future project's implementation.

| Project:  | Milestones   | Expected commencement date          | Expected completion date            |
|---|--|-------------------------------------|-------------------------------------|
| Changing its brand identity "Juice Time"            | <ol style="list-style-type: none"> <li>Awarding a specialized office to create the new identity</li> <li>Identity selection and approval</li> <li>Application of identity to all existing branches</li> </ol>  | <p>First<br/>Quarter<br/>2024G</p>  | <p>First<br/>Quarter<br/>2025G</p>  |
| Purchasing a place to be the company's headquarters | <ol style="list-style-type: none"> <li>Searching for a distinguished and vital place</li> <li>Letter of award</li> <li>Purchase</li> </ol>   | <p>Second<br/>Quarter<br/>2024G</p> | <p>Second<br/>Quarter<br/>2024G</p> |
| Branch expansion                                    | <ol style="list-style-type: none"> <li>Searching for the best locations</li> <li>Contracting</li> <li>Implementation</li> <li>Operation</li> </ol>   | <p>First<br/>Quarter<br/>2024G</p>  | <p>Third<br/>Quarter<br/>2024G</p>  |
| Establishing a juice factory                        | <ol style="list-style-type: none"> <li>Project feasibility study</li> <li>Searching for the best location</li> <li>Furnishing and outfitting the location</li> <li>Training and Operation</li> <li>Sale</li> </ol>   | <p>First<br/>Quarter<br/>2024G</p>  | <p>First<br/>Quarter<br/>2025G</p>  |
| Investment in companies (same activity)             | <ol style="list-style-type: none"> <li>Searching for investment opportunities and study them</li> <li>Conducting an assessment of the opportunity from a financial and legal point of view</li> <li>Obtaining approvals</li> <li>Execution of the agreement</li> </ol> | <p>First<br/>Quarter<br/>2024G</p>  | <p>First<br/>Quarter<br/>2025G</p>  |



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|   |  |                            |                           |
|---|--|----------------------------|---------------------------|
| Investment in companies<br>(new activity) | <ol style="list-style-type: none"> <li>1. Searching for investment opportunities and study them</li> <li>2. Conducting an assessment of the opportunity from a financial and legal point of view</li> <li>3. Obtaining approvals</li> <li>4. Execution of the agreement</li> </ol> | Second<br>Quarter<br>2024G | First<br>Quarter<br>2025G |
|---|--|----------------------------|---------------------------|

Source: The Company

The decision-making process regarding the use of proceeds in connection with an investment in companies, whether in the same activity or new activities, goes through several stages, as follows:

The first stage: Initial evaluation of investment opportunities:

At this stage, the company will form an internal committee immediately after the completion of the capital increase process so that investment opportunities will be presented to it in order to evaluate them, study the value of their acquisition, and ensure their compatibility with the company's strategy and objectives set according to the following determinants:

- 1- Returns achieved from the investment opportunity.
- 2- The profit margins for the opportunity and making sure that they are not less than 10%.
- 3- Matching the opportunity with the company's strategy and serving its objectives.
- 4- The team that works in the opportunity, their qualification, and the main owners.
- 5- The possibility of growth and expansion of the investment opportunity.
- 6- Mechanism for exiting the investment opportunity.

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The committee mentioned above will comprise the chairman, the Vice-Chairman & CEO, and the financial director, in addition to an independent expert specialized in the activity to be acquired (the company will contract with him according to the investment opportunity). The following explains the academic and practical qualifications of the committee members to be formed.

| Mr. Anas Saleh Ibrahim Al-Amoud             |   |
|---|---|
| <b>Position</b>                             | Chairman  |
| <b>Qualifications</b>                       | <ul style="list-style-type: none"> <li>• Holds a master's degree in Business Administration from Kansas State University in the United States of America in 2013.</li> <li>• Holds a Bachelor's degree in Business Administration from Imam Muhammad bin Saud University in the Kingdom of Saudi Arabia in 2007.</li> </ul>   |
| <b>Experiences</b>                          | <ul style="list-style-type: none"> <li>• He currently holds the position of Compliance Manager at Mobily Financial Services Company from 2021 AD to date.</li> <li>• He held the position of Director of Corporate Governance at Alinma Bank from 2020 AD to 2021 AD.</li> <li>• He held the position of Senior Insurance Supervisor at the Central Bank of Saudi Arabia from 2008G until 2020G.</li> </ul>   |
| Mr. Hisham Abdul Rahman Muhammad bin Muqrin |   |
| <b>Position</b>                             | Vice-Chairman & CEO   |
| <b>Qualifications</b>                       | <ul style="list-style-type: none"> <li>• Holds a master's degree in accounting from Missouri State University in the United States of America in 1998.</li> <li>• Holds a Bachelor's degree in Accounting from King Saud University in the Kingdom of Saudi Arabia in 1993.</li> </ul>  |
| <b>Experiences</b>                          | <ul style="list-style-type: none"> <li>• He is currently the CEO of the Food Development Business Company from 2019 to date.</li> <li>• He held the position of Advisor to the Board of Directors of KASAB Financial Company from 2015 AD until 2019 AD.</li> <li>• He held the position of a part-time advisor in the General Secretariat of the Council of Ministers from 2018 AD until 2019 AD.</li> <li>• Held the position of CEO at The Investor Securities Company from 2015G until 2017G.</li> <li>• Held the position of CEO at Tharawat Securities Company from 2014G to 2015G.</li> <li>• He held the position of Vice President of Finance in Support Real Estate Investment Company from 2013 AD until 2014 AD.</li> <li>• Held the position of Executive Vice President at The Investor Securities Company from 2012G to 2013G.</li> <li>• He held the position of Financial and Administrative Director at The Investor Securities Company from 2008 AD to 2012 AD.</li> <li>• He held the position of Chief Financial Officer at Al-Bilad Capital Company from 2007 to 2008.</li> <li>• He held the position of Financial and Administrative Director in Riyadh Holding Company from 2003 AD until 2007 AD.</li> <li>• He held the position of Head of the Administrative Support Team in the Secretariat of the Ministerial Committee for Administrative Organization from 2000 AD until 2003 AD.</li> </ul> |
| Mr. Salah Mohamed Hasaballah Shaheen        |   |
| <b>Position</b>                             | CFO   |
| <b>Qualifications</b>                       | <ul style="list-style-type: none"> <li>• Holds a certificate of standard costs in hotels from Egoth for Tourism and Hotels in the Arab Republic of Egypt in 1985.</li> <li>• Holds a Bachelor's degree in Accounting from Ain Shams University in the Arab Republic of Egypt in 1982.</li> </ul>  |
| <b>Experiences</b>                          | <ul style="list-style-type: none"> <li>• He currently holds the position of Financial Director in the Food Development Business Company from 2019 AD to date.</li> <li>• Held the position of Chief Financial Officer at Herfy Food Services Company - Bakeries from 2013G until 2019G.</li> <li>• Held the position of Chief Financial Officer at Herfy Food Services Company - Restaurants from 2008G to 2012G.</li> <li>• He held the position of Chief Financial Officer at Unionaire Electrical Appliances Company from 1997 AD until 2007 AD.</li> <li>• He held the position of Chief Accountant at Herfy Food Services Company from 1985G until 1997G.</li> </ul>   |



The second stage: Determining the value of acquiring investment opportunities

After the completion of the first stage of the initial evaluation, the owner of the investment opportunity is contacted to determine the expected acquisition value and obtain written approval from him, provided that the maximum value of the acquisition is what was agreed upon after the evaluation procedures by a third party (an external evaluator).

The third stage: obtaining the initial approval from the company's board of directors

After the completion of the second phase and determination of the value of the acquisition, the investment opportunity is presented to the company's board of directors to obtain their initial approval, and work begins to determine the final value through the appointment of an external evaluator.

Fourth stage: appointing an external evaluator

After obtaining the initial approval from the company's board of directors, a licensed external valuer is contracted to carry out assessments and background checks on the financial and legal due diligence of the investment opportunity.

Phase 5: Determine the value of the opportunity (approved evaluation)

After the final evaluation by the external evaluator, a meeting takes place with the owner of the investment opportunity to determine the final value of the acquisition, bearing in mind that the acquisition value will not exceed the value agreed upon in the second stage even if the evaluation value exceeds the agreed value, but if the value is less than what was agreed upon In the second stage, the lower value is taken.

Sixth stage: obtaining final approval from the Board of Directors

The evaluations and examinations of financial and legal ignorance of the investment opportunity prepared by the external evaluator are presented to the company's board of directors to obtain their final approval and announce this, and to start the contractual and regulatory procedures for the acquisition.



## 8. Expert Statements

All consultants whose names appear on pages (f) and (g) of this Prospectus have given their written consent to the reference to their and logos and to the publication of their statements in this Prospectus, and none of them has withdrawn its consent until the date of this Prospectus.

None of the above consultants or their employees or any of their relatives - within the work team that provides services to the Company - has any shareholding or interest of any kind in the Company and its subsidiaries up to the date of this Prospectus that may jeopardize their independence.

No testimony prepared by an expert is included in this prospectus.



## 9. Acknowledgments

To the date of this Prospectus, the Company's Directors declare that:

1. There was no interruption in the business of the Company or any of its subsidiaries that could affect or have had a significant impact on the financial condition during the last (12) months.
2. No commissions, discounts, brokerage fees, or any non-monetary compensation were granted by the Company or any of its subsidiaries during the three years immediately prior to the date of submitting the application for registration and the Offering of securities in relation to the issuance or offering of any securities.
3. There has not been any material negative change in the financial and commercial status of the Company or any of its subsidiaries during the three years immediately preceding the date of filing the securities registration and offering subject to this Prospectus, in addition to the accounting period covered by the auditors' report until the approval date of this Prospectus, otherwise what was disclosed in this prospectus, and that the company incurred losses during the fiscal year ending on December 31, 2020G.
4. The members of the Board of Directors or any of their relatives do not have any shares or interest of any kind in the Company, otherwise what was stated in pages (d, 41,119) of this prospectus, and subsections (13.6.6) "Relevant Parties' Dealings", and (1.12.10) "Contracts and Dealings with Relevant Parties" in this Prospectus.
5. The Company did not maintain treasury shares, and the EXTRAORDINARY GENERAL ASSEMBLY of the Company did not approve the purchase of the Company's shares.

## 10. Legal Information

### 10.1 Company

Development Works Food Company (the "Company" or the "issuer") was initially founded as a limited liability company under the name "Qoot for developing food and restaurants" under the articles of association on 25/06/1431H (corresponding to 08/06/2010G) and was registered under the Commercial Register No. (1010290779), on 16/07/1431H (corresponding to 28/06/2010G) issued in Riyadh. On 03/01/1435H (corresponding to 06/11/2013G), the company's name was changed from "Qoot Food and Restaurant Development Company" to "Development Works Food Company". On 25/01/1438H corresponding to (26/10/2016G), the legal entity of the company was transformed from a limited liability company to a closed joint stock company pursuant to Ministerial Resolution No. (R/19). On 29/05/1438H (corresponding to 26/02/2017G), all of the company's shares were listed in the Nomu-Parallel Market and transformed into a Saudi public joint stock company. On 18/04/1443H (corresponding to 23/11/2021G), the company was transformed and all of its shares were listed and started to be traded in the main Saudi Stock Exchange (Tadawul).

The headquarters of the company is located in Riyadh, Al Yarmouk District, Dammam Highway, Postal Code 13243 P.O. Box 7830, Kingdom of Saudi Arabia. The company's current capital as on the date of this prospectus is thirty million (30,000,000) Saudi riyals divided into three million (3,000,000) ordinary shares, the value of each share is ten (10) Saudi riyals paid in full.

### 10.2 The history of the company and the most important developments in its capital structure

- Development Works Food Company (the "Company") was initially founded as a limited liability company under the name "Qoot for developing food and restaurants " under the articles of association on 25/06/1431H (corresponding to 08/06/2010G) and recorded by the notary public on the page No. (56) in the volume No. (286) of the record No. (1984) for 1431H and on 01/07/1431H (corresponding to 13/06/2010G), and it and was registered under the Commercial Register No. (1010290779), on 16/07/1431H (corresponding to 28/06/2010G) issued in Riyadh, with a capital of one hundred thousand (100,000) Saudi riyals divided into one hundred (100) cash shares with equal value, and the value of each share is (1,000) thousand Saudi riyals.
- On 11/11/1434H (corresponding to 17/09/2013G), the partners decided to change the company name from "Qoot for developing food and restaurants" to "Development Works Food Company" and it was recorded by the notary public on 03/01/1435H (corresponding to 06/11/2013G).
- On 24/01/1438H corresponding to (25/10/2016G), the partners decided to transform the legal entity of the company from a limited liability company to a closed joint stock company, and to increase the company's capital from one hundred thousand (100,000) Saudi riyals to twelve million five hundred thousand (12,500,000 ) Saudi riyals divided into one million two hundred and fifty thousand (1,250,000) ordinary shares with a nominal value of (10) ten riyals per share, and the increase amount of twelve million four hundred thousand (12,400,000) Saudi riyals has been



## Development Works Food Company

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fulfilled by transferring the amount of eleven million (11,000,000) Saudi riyals from the retained profits account and transfer the amount of one million four hundred thousand (1,400,000) Saudi riyals from the partners' current account.

- On 25/01/1438H (corresponding to October 26/10/2016G), Ministerial Resolution No. (R/19) was issued approving the license to transform the company from a limited liability company to a closed joint stock company, and the company was registered in the joint stock companies' registry in Riyadh with the same name, number and date of the company's commercial register before the transformation.
- On 28/02/1438H (corresponding to 28/11/2016G), the company's board of directors decided to offer two hundred and fifty thousand (250,000) shares representing (20%) of the company's shares, to be registered and listed in the Nomu-Parallel Market, after obtaining the approval of Both the Capital Market Authority (Authority) and the Saudi Stock Exchange (Tadawul).
- On 29/05/1438H (corresponding to 26/02/2017G), the entire shares of the company were listed in the Nomu-Parallel Market with a number of one million two hundred and fifty thousand (1,250,000) ordinary shares and with a nominal value of (10) ten Saudi riyals per share, and it was transformed into a Saudi public joint stock company, after obtaining the approval of the Capital Market Authority (the Authority) and the Saudi Stock Exchange (Tadawul).
- On 10/01/1441H (corresponding to 09/09/2019G), the Extraordinary General Assembly agreed to increase the company's capital by (100%) from twelve million five hundred thousand (12,500,000) Saudi riyals to twenty-five million (25,000,000) Saudi riyals, The amount of the capital increase was fulfilled through the capitalization of twelve million five hundred thousand (12,500,000) Saudi riyals from the retained profits account, where a number of one million two hundred and fifty thousand (1,250,000) ordinary shares with a nominal value of ten (10) Saudi riyals per share, were issued through granting shares at the rate of one bonus share for each issued share.
- On 09/02/1443H (corresponding to 16/09/2021G), the Extraordinary General Assembly agreed to increase the company's capital by (20%) from twenty-five million (25,000,000) Saudi riyals to thirty million (30,000,000) Saudi riyals, and the amount of The capital increase was fulfilled through the capitalization of one million nine hundred twenty-three thousand eight hundred and seventy-two (1,923,872) Saudi riyals from the statutory reserve account, and the capitalization of three million and seventy-six thousand one hundred and twenty-eight (3,076,128) Saudi riyals from the retained profits account, where a number of five hundred thousand (500,000) ordinary shares with a nominal value of ten (10) Saudi riyals per share, were issued through granting shares at the rate of one bonus share per five issued shares.
- On 18/04/1443H (corresponding to 23/11/2021G), the company was transformed and all of its shares were listed and started to be traded in the main Saudi Stock Exchange (Tadawul), with a number of three million (3,000,000) ordinary shares and a nominal value of ten (10) Saudi riyals per share, after obtaining the approval of the Capital Market Authority (Authority) and the Saudi Stock Exchange (Tadawul).



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- On 05/05/1443H (corresponding to 09/12/2021G), the company's board of directors recommended increasing the company's capital by (720%), from thirty million (30,000,000) Saudi riyals to two hundred and forty-six million (246,000,000) Saudi riyals, thus increasing the number of Shares from three million (3,000,000) ordinary shares to twenty-four million and six hundred thousand (24,600,000) ordinary shares, by offering Rights share of twenty-one million and six hundred thousand (21,600,000) new ordinary shares, with a value of two hundred and sixteen million (216,000,000) Saudi riyals after obtaining all the necessary statutory approvals and the approval of the extraordinary general assembly.
- On xx/xx/xxxxH (corresponding to xx/xx/xxxxG), the Shareholders' extraordinary general assembly agreed on increasing the company's capital by (720%), from thirty million (30,000,000) Saudi riyals to two hundred and forty-six million (246,000,000) Saudi riyals, thus increasing the number of Shares from three million (3,000,000) ordinary shares to twenty-four million and six hundred thousand (24,600,000) ordinary shares, by offering Rights share of twenty-one million and six hundred thousand (21,600,000) new ordinary shares, with a value of two hundred and sixteen million (216,000,000) Saudi riyals.

### 10.3 Substantial shareholders of the company

There are no substantial shareholders in the company (who own 5% or more of the Company's shares) as on the date of this Prospectus.

### 10.4 Headquarters

The headquarters of the company is located in Riyadh, Al Yarmouk District, Dammam Highway, Postal Code 13243 P.O. Box 7830, and Kingdom of Saudi Arabia.

According to Article (5) of the Articles of Association, "the company may establish branches, offices or agencies inside or outside the Kingdom of Saudi Arabia under a resolution issued by the Board of Directors."

### 10.5 Company duration

As per article No. 6 of the Company's articles of association, the Company's duration shall be (99) ninety-nine Gregorian years, commencing from the date of commercial registration. The Company's duration may be thereafter extended by a resolution passed by an Extraordinary General Assembly meeting, before one year, at least prior to the end of the current duration. According to the data recorded in the Commercial Register, the current duration of the Company shall end on 05/08/1533H (corresponding to 04/07/2109G).



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### 10.6 Objectives of the Company

- The company's activities, according to its commercial register, are represented in the following activities:
  1. Restaurants with table services.
  2. Cafés (coffee shops).
  3. Offering fresh juices and cold drinks.
- The company's activities, as stated in the articles of association, are to practice and implement the following works:
  1. Agriculture and fishing.
  2. Mines, petroleum and related activities.
  3. Transformative Industries and their related activities according to industrial licenses.
  4. Electricity, gas, water and related activities.
  5. Construction and building.
  6. Transportation, storage and refrigeration.
  7. Financial and business services and other services.
  8. Social, group and individual services.
  9. Trade.
  10. Information technology.
  11. Safety and Security.
  12. Establishing and operating restaurants and cafes.

The company shall carry out its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the competent authorities, if any. The company has obtained the necessary licenses from the competent authorities to carry out its activity (for more information, kindly see subsection (9.10) "Licenses and Permits obtained by Company" in this prospectus).

### 10.7 Company's Articles of Association.

The latest and current version of the Company's Articles of Association was issued according to the resolution issued by the (Extraordinary) General Assembly held on 09/02/1443H (corresponding to 16/09/2021G). The Articles of the Association have been amended several times, according to the following:

- **Articles Amendment:** On 12/11/1439H (corresponding to 25/07/2018G), the Shareholders' extraordinary general assembly of Development Works Food Company (in its first meeting) approved the amendment of some articles of the company's articles of association, whereby the following articles were amended: Article (1) relating to the company's transformation, Article (3) relating to the company's objectives, Article (4) relating to partnership and ownership in the companies, Article (13) relating to the shareholder register, Article (16) relating to the company's management, Article (18) relating to the vacant position in the Board of Directors, Article (19) relating to the powers of the board of directors, Article (31) relating



to assemblies' invitations, Article (42) relating to the committee's reports, Article (46) relating to financial documents and Article (47) relating to the distribution of profits.

- **Capital increase:** On 10/01/1441H (corresponding to 09/09/2019G), the shareholders' (extraordinary) general assembly approved the Board of Directors' recommendation to increase the company's capital from (12,500,000) Saudi riyals to (25,000,000) Saudi riyals and increase the number of shares from (1,250,000) shares to (2,500,000) shares, by granting bonus shares to shareholders from the retained profits, equivalent to (1) share for each issued share, at a percentage of 100% of the capital, provided that such entitlement shall be for the shareholders who own shares on the maturity date and are registered in the issuer's shareholders register at the Depository Center at the end of the second trading day following the date of convening the Extraordinary General Assembly.
- **Capital Increase and Articles Amendment:** On 09/02/1443H (corresponding to 16/09/2021G), the Extraordinary General Assembly approved the Board of Directors' recommendation to increase the company's capital by granting free shares to the company's shareholders at the rate of one (1) share for every five (5) shares so that the total amount of the increase would be five hundred thousand(500,000) Saudi riyals, thus increasing the capital from twenty-five million (25,000,000) Saudi riyals to thirty million (30,000,000) Saudi riyals, with an increase of (20%), and increase the number of shares from (2,500,000) shares to become (3,000,000) shares after the increase by capitalizing an amount of (1,923,872) Saudi riyals from the statutory reserve and an amount of (3,076,128) Saudi riyals from retained profits. The company's objective from this increase was to support and strengthen the company's future activities. Accordingly, Article (7) relating to the capital and Article (8) relating to shares underwriting, were amended accordingly. The company had obtained the approval of the Capital Market Authority to request the capital increase on 02/12 /1442H (corresponding to 12/07/2021G). The Extraordinary General Assembly also approved the amendment of some articles in the Articles of Association, such as Article (16) relating to the management of the company, Article (23) relating to the quorum of the board of directors' meeting, Article (33) relating to the quorum of the ordinary general meeting and Article (47) relating to the distribution of profits.

The company complied with the requirements of the Capital Market Authority and the Saudi Exchange (Tadawul) in terms of uploading a copy of the articles of association on the Saudi Exchange (Tadawul) website on the company's web page, and the last amended version of the company's articles of association was approved by the Ministry of Commerce (DEPUTY MINISTRY OF SHARED SERVICES) on 14/02/1443H (corresponding to 21/09/2021G).

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### 10.8 Company management

In accordance with Article Sixteen (16) of the Articles of Association, the company shall be managed by a Board of Directors, which shall be composed of six (6) members elected by the Shareholders' Ordinary General Assembly for a term not exceeding three (3) years.

#### 10.8.1 Formation of the Board of Directors

On 09/02/1443H (corresponding to 16/09/2021G), the (extraordinary) general assembly of shareholders voted to elect the members of the Board of Directors in its current session (the second session) starting from 24/03/1443H (corresponding to 30/10/2021G) for a period of three years ending on 26/04/1446H (corresponding to October 29/10/2024G). On 09/02/1443H (corresponding to 16/09/2021G), the Extraordinary General Assembly approved the amendment of Article (16) of the Articles of Association, whereby the Board of directors' members were increased from five (5) members to six (6) members. The Board of Directors for the aforementioned session shall be formed by the members whose names are shown below:

Table No. (52): Board of Directors' members

| Board of Directors members              |                            |                               |             |     |              |                   |              |                     |
|---|----------------------------|-------------------------------|-------------|-----|--------------|-------------------|--------------|---------------------|
| Name                                    | Position                   | Membership status             | Nationality | Age | Owned shares |                   |              |                     |
|   |                            |                               |             |     | Direct No.   | Direct Percentage | Indirect No. | Indirect Percentage |
| Anas Salih Alamoud *                    | Chairman                   | Non-Independent Non-Executive | Saudi       | 38  | -            | -                 | -            | -                   |
| Hisham Abdelrahman Muhammad bin Mogren* | Vice-Chairman & CEO        | Independent Non-Executive     | Saudi       | 50  | -            | -                 | -            | -                   |
| Ibrahim Nasser Mohammed Al-Shammari     | Board of Directors' Member | Independent Non-executive     | Saudi       | 47  | -            | -                 | -            | -                   |
| Yazid Khaled Zaid Al-Tamimi             | Board of Directors' Member | Independent Non-executive     | Saudi       | 24  | -            | -                 | -            | -                   |
| Bashar Abdulaziz Saleh Aba Al-Khail **  | Board of Directors' Member | Independent Non-executive     | Saudi       | 46  | -            | -                 | -            | -                   |
| Abdullah Khaled Saad Al-Fadhli**        | Board of Directors' Member | Independent Non-executive     | Saudi       | 25  | -            | -                 | -            | -                   |

Source: Company

\* In its assembly held on 25/03/1443H (corresponding to 31/10/2021G), the Company's Board of Directors resolved to appoint Mr. Ashry Saad Alashry as the Chairman and Mr. Anas Salih Alamoud as Vice-Chairman for the current session, which expires on 26/04/1446H (corresponding to 29/10/2024G). On 21/12/1444 AH (corresponding to 09/07/2023 AD), the Board of Directors



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approved the resignation of the Chairman of the Board of Directors, Mr. Ashry Saad Mizal Al-Ashry due to his special circumstances, and the appointment of Mr. Anas Saleh Ibrahim Al-Amoud as Chairman of the Board of Directors for the current term of the Board of Directors, which ends on the 26/04/1446 AH (corresponding to 29/10/2024 AD), and on 28/12/1444 AH (corresponding to 16/07/2023 AD), the Board of Directors decided to appoint a new member in the vacant position in the Board of Directors, Mr. Hisham Abdul Rahman Muhammad bin Muqrin, and appointed him as Vice Chairman The Board of Directors for the current term of the Board of Directors, which ends on 26/04/1446 AH (corresponding to 29/10/2024 AD).

\*\* On 17/11/1443H (corresponding to 16/06/2022G), the Extraordinary General Assembly approved the appointment of the Board of Directors' member, Mr. Bashar Abdulaziz Saleh Aba Al-Khail, in place of the resigned member of the Board of Directors, Mr. Abdul Rahman Nasser Zayed Al-Asmari, and the appointment of Mr. Abdullah Khaled Saad Al-Fadhli as a new member, bringing the number of board members to six until the current board of directors' session ends on 26/04/1446H (corresponding to 29/10/2024G).

The company shall abide by the Companies Law and the Corporate Governance Regulations, as it was found that the number of Board of Directors' Members is not less than three (3) and not more than eleven (11). The company shall also be bound to Article Sixteen (16) of the Corporate Governance Regulations, which compel listed companies to have the majority of the board of directors' members from non-executive members and that the number of independent members shall not be less than two members or one-third of the Board of Directors' Members (whichever is more). Notwithstanding the managing director, three (3) non-executive members were appointed, and the number of independent members reached two. (For more information on the extent of the company's compliance with the corporate governance regulations, kindly see subsection (9.5) "Continuing Obligations as per the requirements of the Capital Market Authority" in this section).

### 10.8.2 Appointment to mandatory positions (Chairman of the Board of Directors, Deputy Chairman, Secretary and CEO)

- In accordance with Article (21) of the company's articles of association, the Board of Directors shall appoint from among its members a Chairman and a Deputy Chairman and may appoint a Managing Director. No one shall combine the Chairman position the with any other executive position in the Company. The Board of Directors' Chairman shall have the power to invite the Board of Directors to meet and chair the Board of Directors' meetings and the shareholders' ordinary and extraordinary General Assembly's meetings, in addition to the powers stipulated in Article (21) of the Articles of Association. The board of directors appoints a secretary, chosen by the board itself, from its members or from others. The Secretary of the Board of Directors shall write up the minutes of the Board of Directors' meetings, record its resolutions issued by it.
- The company shall be bound to the Articles of Association and the Corporate Governance Regulations regarding the mandatory appointment to these positions, as the Board of Directors approved the appointment to these positions as follows:

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Table No. (53): Board of Directors' members

| Position      | The date of the Board of Directors' or the General Assembly's appointment resolution | Appointed Member's Name                    |
|---------------|--|--|
| Chairman      | The Board of Directors' resolution on 21/12/1444H (corresponding to 09/07/2023G)     | Anas Salih Alamoud                         |
| Vice-Chairman | The Board of Directors' resolution on 28/12/1444H (corresponding to 16/07/2023G)     | Hisham Abdelrahman<br>Muhammad bin Mogren  |
| CEO           | The Board of Directors' resolution on 15/10/1441H (corresponding to 07/06/2020G)     | Hisham Abdul Rahman<br>Muhammad bin Muqrin |
| Secretary     | The Board of Directors' resolution on 25/03/1443H (corresponding to 31/10/2021G)     | Awad Majzoub Abdul Majid                   |

Source: Company.

In its assembly held on 25/03/1443H (corresponding to 31/10/2021G), the Company's Board of Directors resolved to appoint Mr. Ashry Saad Alashry as the Chairman and Mr. Anas Salih Alamoud as Vice-Chairman for the current session, which expires on 26/04/1446H (corresponding to 29/10/2024G). On 21/12/1444 AH (corresponding to 09/07/2023 AD), the Board of Directors approved the resignation of the Chairman of the Board of Directors, Mr. Ashry Saad Mizal Al-Ashry due to his special circumstances, and the appointment of Mr. Anas Saleh Ibrahim Al-Amoud as Chairman of the Board of Directors for the current term of the Board of Directors, which ends on the 26/04/1446 AH (corresponding to 29/10/2024 AD), and on 28/12/1444 AH (corresponding to 16/07/2023 AD), the Board of Directors decided to appoint a new member in the vacant position in the Board of Directors, Mr. Hisham Abdul Rahman Muhammad bin Muqrin, and appointed him as Vice Chairman The Board of Directors for the current term of the Board of Directors, which ends on 26/04/1446 AH (corresponding to 29/10/2024 AD).

- The powers of the board of directors are defined in Article Nineteen (19) of the company's articles of association, and the powers of the chairman, his deputy and secretary are detailed in Article twenty-one (21) of the company's articles of association. The Board of Directors' Secretary, in addition to writing up the minutes of the Board Directors' meetings and recording the resolutions issued by it, shall undertake the duties and powers assigned to him by the Board of Directors.

### 10.8.3 Board of Directors' Remuneration

- According to Article (20) and paragraph (5) of Article (47) in the company's articles of association, indicate how the members of the board of directors shall be remunerated, provided that the remuneration of the board of directors' members is within the limits stipulated in the Companies Law and its regulations. After distributing a proportion of the profits stipulated in Article (47) of the Articles of Association, (5%) of the remaining profits shall be allocated to remunerate the Board of Directors' members, provided that the entitlement to this remuneration is proportional to the number of sessions attended by the member, after deducting the reserves decided by the General Assembly in accordance with the provisions of the Companies Law and the Company's Articles of Association.
- In all cases, the sum of the remunerations and financial or in-kind benefits that the Board of Directors' member shall be entitled to receive, may not exceed five hundred thousand (500,000) Saudi riyals annually, in accordance with the regulations set by the competent authority.

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- The report submitted by the Board of Directors to the Ordinary General Assembly shall include a comprehensive statement of all salaries, a share of the profits, attendance allowance, expenses and other benefits received by the Board of Directors' Members during the fiscal year. It shall also include a statement of the remuneration received by Board of Directors' Members that they received in their capacity as employees or officials, or the amount they received in return for their technical or administrative work or consultancy. It shall also include the number of board of directors' sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly.
- It should be noted that Article (76) of the Companies Law stipulates that this remuneration may be a specific amount, attendance allowance for meetings, in-kind benefits, or a certain percentage of net profits, and it is permissible to combine two or more of the foregoing, and it is also permissible That the company's basic system determines the maximum limit for those bonuses. It should be noted that no dividends were distributed for the fiscal year 2020 and 2021. The value of the remuneration of the members of the Board of Directors for the fiscal year ending on December 31, 2020 AD amounted to (189,582) Saudi riyals, and for the fiscal year ending on December 31, 2021 AD, an amount of (304,832) Saudi riyals, noting that the two members Ashry Al-Ashry and Abdul Rahman Al-Asmari waived their bonuses for the year (2020) amounting to (99,500) riyals and for the year 2021 AD amounting to (105,500) riyals in support of the company.

Table No. (54): Compensation and remuneration of the Board of Directors' Members and senior executives

| Statement (Saudi Riyal)                   | Fiscal year ending on December 31 |                  |                  |
|---|-----------------------------------|------------------|------------------|
|   | 2019G                             | 2020G            | 2021G            |
| Board of Directors members                | 249,500                           | 189,582          | 304,832          |
| Senior Executives (including CEO and CFO) | 1,379,160                         | 1,431,243        | 1,270,251        |
| <b>TOTAL</b>                              | <b>1,628,660</b>                  | <b>1,620,825</b> | <b>1,575,083</b> |

Source: Company

### 10.8.4 Board of Directors' Meetings

- According to Article Twenty-two (22) of the Company's Articles of Association, the Board of Directors meets at least twice a year at the invitation of its chairman. The invitation shall be in writing or sent by any means of communication. The chairman shall invite the board of directors to hold a meeting whenever two members request it.
- The company shall abide by the minimum number of Board of Directors' meetings, and it was found that the number of Board of Directors' meetings reached five (5) meetings during 2019G, and five (5) meetings 2020G and eight (8) meetings 2021G.

### 10.8.5 Company's Committees

As of the date of this prospectus, the company has three (3) committees formed from the board of directors as follows:



### 10.8.5.1 Audit Committee

In accordance with Article Thirty-Nine (39) of the Company's Articles of Association, the Audit Committee shall consist of no less than three (3) and no more than five (5) members who are non-executive members of the Board of Directors, whether from shareholders or others, and the number of current members of the Committee is four (4) members. The members of the Audit Committee were appointed by the Board of Directors in its meeting held on 08/01/1443H (corresponding to 16/08/2021G), which was recommended to the Shareholders' General Assembly to approve the appointment. The Shareholders' (Extraordinary) General Assembly approved the Board of Directors' recommendation to appoint the members of the Committee in its meeting held on 09/02/1443H (corresponding to 16/09/2021G), for a period of three years starting from 30/10/2021G until the Board of Directors' session ends on 29/10/2024G. On 27/03/1443H (corresponding to 02/11/2021G), the Board of Directors decided to appoint Mr. Anas Saleh Ibrahim Al-Amoud (independent member) as a member of the Audit Committee until the Board of Directors' current session ends, starting from the date of appointment on 02/11/2021G, and accordingly, the Audit Committee consists of the following members: Table No. (55): The Members of the Audit Committee.

| Name                              | Position                  |
|-----------------------------------|---------------------------|
| Musa Abdullah Al-Fawzan           | Chairman of the Committee |
| Abdulaziz Mohammed Aba Btain*     | Committee member          |
| Omar Muhammad Abdullah Al-Manea** | Committee member          |

Source: Company

\* The Board of Directors decided to appoint Mr. Abdulaziz Muhammad Ababtain on 05/11/1444 AH (corresponding to 12/05/2022 AD) to replace the resigned member Mr. Hassan Omar Ali Bakhmis, and this decision will be presented to the nearest general assembly.

\*\* The Board of Directors decided to appoint Mr. Anas Saleh Ibrahim Al-Amoud on 03/27/1443 AH (corresponding to 11/02/2021 AD), and the Extraordinary General Assembly held on 11/17/1443 AH (corresponding to 06/16/2022 AD) approved this decision. On 01/02/1445 AH (corresponding to 07/20/2023 AD), the Board of Directors decided to approve his resignation and appoint a new member, Mr. Omar Muhammad Abdullah Al-Manea, and this decision will be presented to the nearest general assembly.

The company has approved a work regulation for the Audit Committee, which was approved by the Shareholders' General Assembly held on 12/11/1439H (corresponding to 25/07/2018G).

In accordance with Article (7) of the Audit Committee's work regulations, the Audit Committee meets periodically four times a year and whenever it is necessary. The Committee held five (5) meetings during the fiscal year ending on December 31, 2019G, nine (9) meetings during the fiscal year ending on December 31, 2020G, and nine (9) meetings during the fiscal year ending on December 31, 2021G.

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### 10.8.5.2 Nomination and Remuneration Committee

Under a resolution issued by the Board of Directors, a committee called (Nomination and Remuneration Committee) shall be formed from three (3) members who are non-executive members of the Board of Directors, whether from shareholders or others, provided that at least one independent member is among them. The current Nominations and Remunerations Committee consists of three (3) members. The Nominations and Remunerations Committee was formed in accordance with a resolution issued by the Board of Directors in its meeting held on 25/03/1443H (corresponding to 31/10/2021G) On 02/01/1445 AH (corresponding to 20/07/2023 AD), the Board of Directors decided to reconfigure the Nominations and Remuneration Committee, and it consists of the following members: Table No. (56): Members of Remuneration and Nomination Committee.

| Name                              | Position                  |
|-----------------------------------|---------------------------|
| Yazeed Khalid Zaid Altamimi       | Chairman of the Committee |
| Ibrahim Nasir Mohammed Alshimimri | Committee member          |
| Anas Salih Ibrahim Alamoud        | Committee member          |

Source: Company

The Board of Directors also appointed Mr. Awad Majzoub Abdul Majid as the Secretary of the Committee.

The Regulations of the Nominations and Remunerations Committee were approved by the Shareholders' (Extraordinary) General Assembly on (12/11/1439H) (corresponding to 25/07/2018G).

The Nominations and Remunerations Committee shall meet at least once (1) a year, and dates and times may be set for holding additional meetings as deemed appropriate by the members or the Chairman of the Committee whenever it is necessary. The committee submits its reports to the board of directors

The committee held one (1) meeting during the fiscal year ending on December 31, 2019G and one (1) meeting during the fiscal year ending on December 31, 2020G, and two (2) meetings during the fiscal year ending on December 31, 2021G.

### 10.8.5.3 Executive Committee

The Company has an Executive Committee consisting of three (3) members. The committee shall be liable to supervise the implementation of the strategic objectives, financial and operational priorities, and evaluating long-term productivity. Its duties include reviewing strategic planning procedures and operations with the executive management and verifying the efficiency of procedures to implement strategic plans, review the distribution of company's resources that achieve long-term goals in accordance with the strategic plans, and periodically review the company's operational goals and its subsidiaries, review annual and long-term goals and strategies and related performance indicators, study the financial matters of the company and its subsidiaries including the company's capital, cash flows, borrowing proposals and the company's position regarding its financial liabilities, verify capital expenditures and review them with the approved budgets, in addition to studying the strategic resolutions related to the opportunities available for the company that aims to improve its products quality and rationalize costs.

## Development Works Food Company

The Executive Committee's work regulations were approved by the Extraordinary General Assembly on 12/11/1439H (corresponding to 25/07/2018G).

The members of the Executive Committee were appointed by the Board of Directors on 25/03/1443H (corresponding to 31/10/2021G). It is composed of the following members:

Table No. (57): Executive Committee.

| Name                                    | Position                  |
|---|---------------------------|
| Anas Saleh Ibrahim Al-Amoud             | Chairman of the Committee |
| Hisham Abdul Rahman Muhammad bin Muqrin | Committee member          |
| Salah Mohammed Hasballah Shaheen        | Committee member          |

Source: Company

The Committee held one (1) meeting during the fiscal year ending on December 31, 2019G, one (1) meeting during the fiscal year ending on December 31, 2020G, and three (3) meetings during the fiscal year ending December 31, 2021G.

### 10.8.6 Executive Management

The current executive management is headed by the Chief Executive Officer, Mr. Hisham Abdul Rahman Muhammad bin Muqrin, as of 16/10/1441H (corresponding to 08/06/2020G), in accordance with the Board of Directors' resolution issued on 15/10/1441H (corresponding to 07/06/2020G). The following table shows the details of the company's executive management:

Table No. (58): Executive Management

| Name                                   | Position                           | Nationality | Age | Appointment date | Owned shares * |            |
|--|------------------------------------|-------------|-----|------------------|----------------|------------|
|  |                                    |             |     |                  | Number         | Percentage |
| Hisham Abdelrahman Muhammad bin Mogren | CEO                                | Saudi       | 50  | 7/6/2020G        | -              | -          |
| Salah Muhammad Hasballah Shaheen       | CFO                                | Egyptian    | 62  | 1/6/2019G        | -              | -          |
| Fares Aql Ali Abu Hanoud               | Marketing Manager                  | Jordanian   | 30  | 20/03/2023G      | -              | -          |
| Karim Mohamed El Sayed Mohamed         | Operations Manager                 | Egyptian    | 34  | 12/5/2012G       | -              | -          |
| Al-Waleed Saud Al-Otaibi               | HR & Support Services manager      | Saudi       | 29  | 01/01/2023G      | -              | -          |
| Ashraf Tahil Yorth                     | Procurement Manager                | Indian      | 35  | 01/06/2023G      | -              | -          |
| Ahmed Ali Al-Muhajir Muhammad          | IT Manager                         | Saudi       | 34  | 31/12/2021G      | -              | -          |
| Mohammed Adnan Ahmed Al-Alewi          | Maintenance & Construction Manager | Syrian      | 36  | 22/06/2020G      | -              | -          |

Source: Company

\* None of the executive management members have indirect ownership in the company as on the date of this prospectus.

## Development Works Food Company

### 10.9 Licenses and permits obtained by the company

#### 10.9.1 Licenses, certificates and approvals related to the company headquarter

The company has obtained several legal and operational licenses and certificates from the competent authorities necessary to carry out its activities in accordance with the applicable laws in the Kingdom of Saudi Arabia, and these licenses are renewed periodically. The following table shows the current licenses, certificates and approvals obtained by the company in relation to its headquarter.

Table No. (59): Licenses, certificates and approvals related to the company headquarter

| Type of license  | Purpose  | Licensee                       | License No.    | Issuance/<br>Renewal Date                     | Expiry Date                                   | Licensor   |
|--|--|--------------------------------|----------------|---|---|--|
| Commercial Register  | Registration of the company in the Commercial Companies registry (Joint-stock company)   | Development Works Food Company | 1010290779     | 16/07/1431H<br>(corresponding to 28/06/2010G) | 08/02/1446H<br>(corresponding to 12/08/2024G) | Ministry of Commerce - Commercial Registry in Riyadh |
| Membership certificate of the Chamber of Commerce and Industry (First) | The company's commitment to the Commercial Register Law, which requires the company to subscribe to the Chamber of Commerce and Industry | Development Works Food Company | 234891         | 21/07/1431H<br>(corresponding to 03/07/2010G) | 08/02/1446H<br>(corresponding to 12/08/2024G) | Chamber of Commerce and Industry "Riyadh Chamber"    |
| Zakat and Income Certificate*  | To prove that the company submitted its annual declaration and paid zakat  | Development Works Food Company | 1110197009     | 10/11/1444H<br>(corresponding to 30/05/2023G) | 21/10/1445H<br>(corresponding to 30/04/2024G) | Zakat, Tax and Customs Authority                     |
| VAT registration certificate   | To prove that the company is registered in value added tax (VAT)   | Development Works Food Company | 30043052860003 | 16/05/1440H<br>(corresponding to 22/01/2019G) | NA  | Zakat, Tax and Customs Authority                     |

## Development Works Food Company

|  |  |  |                 |  |  |  |
|--|--|--|-----------------|--|--|--|
| Entity Evaluation Certificate            | Evaluation of the Entity according to Nitaqat program, which indicates that the company is in the (high green) domain. | Development Works Food Company         | 290413-1        | 15/05/2022G                                | -  | E-Services Department Ministry of Human Resource and Social Development**      |
| Saudization certificate**                | To prove that the company complies with the required Saudization percentage according to Nitaqat program               | Development Works Food Company         | 20534080-543453 | 10/11/1443H (corresponding to 09/06/2022G) | 11/02/1444H (corresponding to 07/09/2022G) | E-Services Department Ministry of Human Resource and Social Development        |
| GOSI Contribution Certificate***         | The company's commitment to the regulations of the General Organization for Social Insurance                           | Development Works Food Company         | 47716373        | 25/12/1443H (corresponding to 24/07/2022G) | 24/01/1444H (corresponding to 22/08/2022G) | General Organization for Social Insurance                                      |
| WPS Compliance Certificate****           | In compliance with the wages protection system (WPS)   | Development Works Food Company         | 20012207011020  | 25/12/1443H (corresponding to 24/07/2022G) | 25/02/1444H (corresponding to 21/09/2022G) | Ministry of Human Resources and Social Development (Labor Office - E-Services) |
| Trademark certificate                    | To indicate that the company shall protect its trademark   | "Juice Time" Restaurant to serve meals | 1436014382      | 03/07/1436H (corresponding to 22/04/2015G) | 02/07/1446H (corresponding to 02/01/2025G) | Ministry of Commerce and Investment  |
| Trademark certificate                    | To indicate that the company shall protect its trademark   | "Juice Time" Restaurant to serve meals | 4370189131      | 16/08/1437H (corresponding to 23/05/2016G) | 15/08/1447H (corresponding to 03/02/2026G) | Ministry of Commerce and Investment  |
| Municipal license (professional license) | In compliance with the Law of Municipalities and Rural Areas to  | Development Works Food Company         | 40122531814     | 03/12/1440H (corresponding to 04/08/2019G) | 02/12/1447H (corresponding to 19/05/2026G) | Ministry of Municipal, Rural Affairs and Housing -                             |



## Development Works Food Company

|  |  |                                |                |  |  |  |
|--|--|--------------------------------|----------------|--|--|--|
|  | practice the activity of the office, which is the installation, operation and maintenance of alarm devices |                                |                |  |  | Riyadh Region Municipality - North Riyadh Municipality |
| Safety certificate   | The company shall be bound to the safety conditions of General Directorate of Civil Defense                | Development Works Food Company | 44-001196727-1 | 01/12/1444H (corresponding to 19/06/2023G) | 01/12/1445H (corresponding to 07/06/2024G) | General Directorate of Civil Defense                   |
| Fire Protection and Prevention Equipment Installation Certificate on a corporation for immediate activity only | The company shall be bound to the safety conditions of General Directorate of Civil Defense                | Development Works Food Company | 100201484      | 14/11/1443H (corresponding to 13/06/2022G) | -  | General Directorate of Civil Defense                   |

Source: Company

\*The title of "General Authority for Zakat and Tax (GAZT)" has been amended to become "Zakat, Tax and Customs Authority"

\*\*A Commitment certificate, which is valid for a maximum of three months and electronically renewable upon request.

\*\*\* A Commitment certificate, which is valid for a maximum of one month and electronically renewable upon request

\*A Commitment certificate, which is valid for a maximum of 60 days and electronically renewable upon request.

The company's business is subject to the food law issued by Royal Decree No. (D/1), issued on 06/01/1436H (corresponding to 30/10/2014G) during all the stages that food passes through from the initial production until it reaches the consumer, including its import. Its export, manufacture, production, processing, packaging, preparation, storage, transportation, acquisition, distribution, offering for sale and sale, distribution etc. No food company may sell food without obtaining a technical license from the Saudi Food and Drug Authority. It is worth noting that the Ministry of Municipal, Rural Affairs and Housing continues to exercise the food-related competencies stipulated in the Food Law that it was in charge of prior to its enforcement - until the Saudi Food and Drug Authority undertakes these competencies, in accordance with the arrangements stipulated in Cabinet Resolution No. (470), issued on 26/12/1435H.

## Development Works Food Company

### 10.9.2 Company branches and points of sale

Article Five (5) of the company's articles of association stipulates that the company may establish branches, offices or agencies inside or outside the Kingdom of Saudi Arabia by a resolution issued by the board of directors or by a resolution issued by the board of directors' chairman or his representative.

- As of the date of this prospectus, the company has fifty-eight (58) branches and points of sale registered within the Kingdom of Saudi Arabia, including forty-eight (48) branches of the Juice Time brand and ten (10) branches of the Quiznos Sub-brand, all of which operate under the commercial registry. The main company.
- As of the date of preparing this prospectus, the company has fifty-five (55) municipal licenses for the various points of sale belonging to the company, and safety licenses issued by the Civil Defense have been obtained for the mentioned points of sale, with the exception of (4) points of sale. The following table shows such licenses:

Table No. (60): Municipal licenses of the company's branches and points of sale.

| #  | Company                        | License No. | Expiry Date                                      | Address  | Safety License (Civil Defense)   |
|----|--------------------------------|-------------|--|--|--|
| 1. | Development Works Food Company | 41093530027 | 02/09/1446H<br>(corresponding to<br>02/03/2025G) | Riyadh Municipality -<br>North Riyadh<br>Municipality - An Narjis -<br>No. 352 | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000951391 -44, issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G) |
| 2. | Development Works Food Company | 41083518489 | 25/08/1445H<br>(corresponding to<br>06/03/2024G) | Assir Municipality -<br>Sultan City Branch - Al<br>Matar District              | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000949800 -43, issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G) |



|    |                                |             |   |   |  |
|----|--------------------------------|-------------|---|---|--|
| 3. | Development Works Food Company | 41083518463 | 25/08/1446H<br>(corresponding to 24/02/2025G) | Riyadh Municipality - North Riyadh Municipality - Al Malqa District - No. 118                           | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000949982 -43, issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G) |
| 4. | Development Works Food Company | 41073449779 | 05/08/1445H<br>(corresponding to 15/02/2024G) | Assir Municipality - Municipality Khamis Mushayt - Tayeb Al-Asm District - Al-Madinah Al-Munawarah Road | The company Complied with a safety certificate issued by the General Directorate of Civil Defense No. 44-001162271-1 issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G)     |
| 5. | Development Works Food Company | 41063426294 | 26/06/1446H<br>(corresponding to 28/12/2024G) | Jeddah Municipality - Municipality of the University - Faiha  | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000952205 -44, issued on 25/11/1444H (corresponding to 14/06/2023G) and ending on 25/11/1445H (corresponding to 02/06/2024G) |





|    |                                |             |   |   |  |
|----|--------------------------------|-------------|---|---|--|
| 6. | Development Works Food Company | 41042635492 | 24/04/1446H<br>(corresponding to 27/10/2024G) | Assir Municipality - Ahad Rafidah Municipality - Safwan District - King Khalid Road | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000949763 -44, issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G) |
| 7. | Development Works Food Company | 41042631695 | 18/04/1446H<br>(corresponding to 21/10/2024G) | Assir Municipality - Municipality Khamis Mushayt - Shifa District - Main Street     | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000949806 -44, issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G) |



|    |                                |             |   |  |  |
|----|--------------------------------|-------------|---|--|--|
| 8. | Development Works Food Company | 41032615688 | 24/03/1446H<br>(corresponding to 28/09/2024G) | Riyadh Municipality - As Sulay Sub-Municipality- Al Jazeera District - No. 152       | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000951412 -44, issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G) |
| 9. | Development Works Food Company | 40102473463 | 22/10/1445H<br>(corresponding to 06/12/2023G) | Jeddah Municipality - Briman Sub-Municipality - Al Samer District - Al Yazidi Street | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000952182 -44, issued on 25/11/1444H (corresponding to 14/06/2023G) and ending on 25/11/1445H (corresponding to 02/06/2024G) |



|     |                                |             |   |  |  |
|-----|--------------------------------|-------------|---|--|--|
| 10. | Development Works Food Company | 40102432863 | 04/12/1445H<br>(corresponding to 10/06/2024G) | Riyadh Municipality -<br>Irqah Sub-Municipality -<br>Dhahrat Laban District -<br>Haql Street                                   | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 2-000949977 -45, issued on 02/03/1445H (corresponding to 17/09/2023G) and ending on 02/03/1446H (corresponding to 05/09/2024G) |
| 11. | Development Works Food Company | 40102429382 | 13/09/1446H<br>(corresponding to 13/03/2025G) | Riyadh Municipality - Al<br>Rawdah Sub-Municipality -<br>Ishbiliyah District - Imam Abdullah<br>Ibn Saud Ibn Abdulaziz<br>Road | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000951395 -44, issued on 02/12/1444H (corresponding to 20/06/2023G) and ending on 02/12/1445H (corresponding to 08/06/2024G) |



|     |                                |             |   |  |  |
|-----|--------------------------------|-------------|---|--|--|
| 12. | Development Works Food Company | 40102427906 | 08/01/1447H<br>(corresponding to 03/07/2025G) | Riyadh Municipality - Al Urayja Sub-Municipality<br>- Laban District - Prince Ahmed Bin Abdulaziz Road | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-001271281 -45, issued on 25/03/1445H (corresponding to 10/10/2023G) and ending on 25/03/1446H (corresponding to 28/09/2024G) |
| 13. | Development Works Food Company | 40102417233 | 06/11/1446H<br>(corresponding to 04/05/2025G) | Riyadh Municipality - Al Namar Sub-Municipality<br>- Al Hazm - Al Muslim Street                        | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000949959 -44, issued on 02/12/1444H (corresponding to 20/06/2023G) and ending on 02/12/1445H (corresponding to 08/06/2024G) |



|     |                                |             |   |   |  |
|-----|--------------------------------|-------------|---|---|--|
| 14. | Development Works Food Company | 40092378409 | 10/09/1445H<br>(corresponding to 20/03/2024G) | Riyadh Municipality - Al Ulaya Sub-Municipality - Al-Murouj - Prince Turki Bin Abdulaziz Althani Street | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000951401 -44, issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G) |
| 15. | Development Works Food Company | 40092191999 | 17/03/1446H<br>(corresponding to 20/09/2024G) | Riyadh Municipality -Al Rawdah Sub-Municipality - Al Rawdah District - Al Hassan Bin Ali Street         | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000967926 -44, issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G) |



|     |                                |             |   |  |  |
|-----|--------------------------------|-------------|---|--|--|
| 16. | Development Works Food Company | 4009219121  | 16/09/1446H<br>(corresponding to 16/03/2025G) | Riyadh Municipality - Al Kharj Municipality - Al Rawabi District - Al Alaa bin Khudri Street | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000949968 -44, issued on 02/12/1444H (corresponding to 20/06/2023G) and ending on 02/12/1445H (corresponding to 08/06/2024G) |
| 17. | Development Works Food Company | 40092191120 | 07/02/1447H<br>(corresponding to 01/08/2025G) | Riyadh Municipality - North Riyadh Municipality - Al Sahafa District - King Fahd Road        | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000967932 -43, issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G) |



|     |                                  |             |   |   |   |
|-----|----------------------------------|-------------|---|---|---|
| 18. | Development Works Food Company   | 40092191075 | 14/01/1446H<br>(corresponding to 20/07/2024G) | Riyadh Municipality - Al Shifa Sub-Municipality - Al Shifa District - Ibn Taymiyyah Road    | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000967930 -43, issued on 02/12/1444H (corresponding to 20/06/2023G) and ending on 02/12/1445H (corresponding to 08/06/2024G)  |
| 19. | Development Works Food Company * | 40092190934 | 23/11/1447H<br>(corresponding to 10/05/2026G) | Riyadh Municipality - Al Ulaya Sub-Municipality - Al Nozha District - Othman Ibn Affan Road | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000949952 -43, issued on 17/11/1443H (corresponding to 16/06/2022G) and ending on 17/11/1444H (corresponding to 06/06/2023G)* |
| 20. | Development Works Food Company   | 40092190839 | 19/09/1445H<br>(corresponding to 29/03/2024G) | Riyadh Municipality - Al Malaz Sub-Municipality - Al Rabwah - Omar Bin Abdulaziz Road       | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000949149 -43, issued on 02/12/1444H (corresponding to 20/06/2023G) and ending on 02/12/1445H (corresponding to 08/06/2024G)  |



|     |                                |             |   |   |  |
|-----|--------------------------------|-------------|---|---|--|
| 21. | Development Works Food Company | 40092190787 | 26/08/1446H<br>(corresponding to 25/02/2025G) | Riyadh Municipality - Al Malaz Sub-Municipality - Al Malaz District - Salah Al Din Al Ayyubi Road | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000949156 -43, issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G) |
| 22. | Development Works Food Company | 40092190702 | 26/07/1446H<br>(corresponding to 26/01/2025G) | Riyadh Municipality - Al Ulaya Sub-Municipality - Al Izdihar District - Hussain Ibn Ali Street    | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000949143 -43, issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G) |





|     |                                |             |   |   |  |
|-----|--------------------------------|-------------|---|---|--|
| 23. | Development Works Food Company | 40092190678 | 19/07/1446H<br>(corresponding to 19/01/2025G) | Riyadh Municipality - Al Ulaya Sub-Municipality - King Fahd District - Sulait Al Tamimi Street            | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 2-000949125 -45, issued on 04/02/1445H (corresponding to 20/08/2023G) and ending on 04/02/1446H (corresponding to 08/08/2024G) |
| 24. | Development Works Food Company | 40092190577 | 03/06/1447H<br>(corresponding to 24/11/2025G) | Riyadh Municipality - North Riyadh Municipality - Al Sahafa District - Anas Ibn Malik Road                | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000949122 -43, issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G) |
| 25. | Development Works Food Company | 40092190372 | 10/08/1446H<br>(corresponding to 09/02/2025G) | Riyadh Municipality - Al Rawdah Sub-Municipality - Al-Nahda District - Prince Bandar Bin Abdulaziz Street | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000949145 -44, issued on 02/12/1444H (corresponding to 2/06/2023G) and ending on 02/12/1445H (corresponding to 08/06/2024G)  |



|     |                                |             |   |  |  |
|-----|--------------------------------|-------------|---|--|--|
| 26. | Development Works Food Company | 40092190371 | 23/08/1445H<br>(corresponding to 04/03/2024G) | Riyadh Municipality - Al Rawdah Sub-Municipality - Al Yarmouk District - Dammam Road                                       | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000949135 -44, issued on 02/12/1444H (corresponding to 20/06/2023G) and ending on 02/12/1445H (corresponding to 08/06/2024G) |
| 27. | Development Works Food Company | 40092190108 | 15/09/1445H<br>(corresponding to 25/03/2024G) | Riyadh Municipality - Irqah Sub-Municipality - Dhahrat Laban District - Al Shifa   | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000949130 -44, issued on 02/12/1444H (corresponding to 20/06/2023G) and ending on 02/12/1445H (corresponding to 08/06/2024G) |
| 28. | Development Works Food Company | 40092178077 | 29/03/1448H<br>(corresponding to 11/09/2026G) | Riyadh Municipality - Al Urayja Sub-Municipality - Sultana District - Sheikh Abdullah bin Muhammad bin Abdul Wahhab Street | The company shall not issue a safety/ civil defense license<br>**  |



|     |                                |             |   |  |  |
|-----|--------------------------------|-------------|---|--|--|
| 29. | Development Works Food Company | 40072073941 | 12/07/1446H<br>(corresponding to 12/01/2025G) | Assir Municipality - Municipality Khamis Mushayt - Shukr District - Main Street        | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-001239779 -45, issued on 14/02/1445H (corresponding to 30/08/2023G) and ending on 14/02/1446H (corresponding to 18/08/2024G) |
| 30. | Development Works Food Company | 40041979488 | 13/04/1447H<br>(corresponding to 05/10/2025G) | Riyadh Municipality - North Riyadh Municipality - Al Aqiq District -Northern Ring Road | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000949130 -43, issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G) |



|     |                                |             |   |  |  |
|-----|--------------------------------|-------------|---|--|--|
| 31. | Development Works Food Company | 40031839890 | 01/12/1446H<br>(corresponding to 28/05/2025G) | Riyadh Municipality - Al Urayja Sub-Municipality - Al Urajja Al Wusta - Al-Madinah Al-Munawarah Street | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000949785 -44, issued on 01/12/1444H (corresponding to 19/06/2023G) and ending on 01/12/1445H (corresponding to 07/06/2024G) |
| 32. | Development Works Food Company | 40031780840 | 17/09/1445H<br>(corresponding to 27/03/2027G) | Riyadh Municipality - Al Rawdah Sub-Municipality - Al Andalus District - Khalid Ibn Al-Walid Street    | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000949774 -44, issued on 01/12/1444H (corresponding to 19/06/2023G) and ending on 01/12/1445H (corresponding to 07/06/2024G) |



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|-----|--------------------------------|-------------|---|---|--|
| 33. | Development Works Food Company | 40031772635 | 16/06/1445H<br>(corresponding to 29/12/2023G) | Riyadh Municipality - North Riyadh Municipality - Al-Falah District - Othman Ibn Affan Road | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000967925 -44, issued on 01/12/1444H (corresponding to 19/06/2023G) and ending on 01/12/1445H (corresponding to 07/06/2024G) |
| 34. | Development Works Food Company | 40031767287 | 01/05/1445H<br>(corresponding to 15/11/2023G) | Riyadh Municipality - Al Ulaya Sub-Municipality - Al-Olaya District - Mecca Road            | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000952195 -44, issued on 01/12/1444H (corresponding to 19/06/2023G) and ending on 01/12/1445H (corresponding to 07/06/2024G) |
| 35. | Development Works Food Company | 39111453319 | 04/06/1447H<br>(corresponding to 25/11/2025G) | Jeddah Municipality - Al Safa Municipality - Al Marwah District - Hira Street               | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000952195 -44, issued on 25/11/1444H (corresponding to 14/06/2023G) and ending on 25/11/1445H (corresponding to 02/06/2024G) |



|     |                                |             |   |   |  |
|-----|--------------------------------|-------------|---|---|--|
| 36. | Development Works Food Company | 39111447838 | 24/11/1445H<br>(corresponding to 01/06/2024G) | Jeddah Municipality - Municipality Of Taibah - Al-Hamdaniya District - Muhammad bin Al Alaa | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000952198 -43, issued on 25/11/1444H (corresponding to 14/06/2023G) and ending on 25/11/1445H (corresponding to 02/06/2024G) |
| 37. | Development Works Food Company | 39111342488 | 01/05/1445H<br>(corresponding to 15/11/2023G) | Jeddah Municipality - Municipality of Obhur - Al-Hamdaniya District - Prince Sultan Street  | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000952230 -44, issued on 25/11/1444H (corresponding to 14/06/2023G) and ending on 25/11/1445H (corresponding to 02/06/2024G) |
| 38. | Development Works Food Company | 39111323671 | 01/02/1446H<br>(corresponding to 05/08/2024G) | Jeddah Municipality - Dhahban Municipality - Taibah District - Main Street                  | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000952230 -44, issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G) |



|     |                                |              |   |  |  |
|-----|--------------------------------|--------------|---|--|--|
| 39. | Development Works Food Company | 39111311012  | 01/12/1445H<br>(corresponding to 07/06/2024G) | Jeddah Municipality - South Jeddah Municipality - Al Amir Fawaz Al Janouby District - Sahel Bin Amr Street | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-001197722 -44, issued on 02/12/1444H (corresponding to 20/06/2023G) and ending on 02/12/1445H (corresponding to 08/06/2024G) |
| 40  | Development Works Food Company | 41093532411  | 05/09/1445H<br>(corresponding to 15/03/2024G) | Assir Municipality - Sultan City Branch - Al Matar District - Main Street                                  | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-000949790 -44, issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G) |
| 41. | Development Works Food Company | 450313269115 | 06/03/1446H<br>(corresponding to 09/09/2024G) | Riyadh Region Municipality - North Riyadh Municipality - Al Narjis District                                | The company shall not issue a safety/ civil defense license **   |
| 42. | Development Works Food Company | 39111337497  | 11/03/1446H<br>(corresponding to 14/09/2024G) | Jeddah Governorate Municipality - Northern Obhur Municipality  | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 2-000952216 -44, issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G) |



|    |                                |              |   |  |  |
|----|--------------------------------|--------------|---|--|--|
| 43 | Development Works Food Company | 42055039230  | 16/05/1446H<br>(corresponding to 18/11/2024G) | Riyadh Region Municipality - Rawda Municipality      | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 2-000949970 -44, issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G) |
| 44 | Development Works Food Company | 450313263125 | 10/03/1446H<br>(corresponding to 13/09/2024G) | Jeddah Governorate Municipality - Obhur Municipality | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-001259412 -45, issued on 10/03/1445H (corresponding to 25/09/2023G) and ending on 10/03/1446H (corresponding to 13/09/2024G) |
| 45 | Development Works Food Company | 40102426831  | 03/08/1446H<br>(corresponding to 02/02/2025G) | Riyadh Region Municipality - Olaya Municipality      | The company shall not issue a safety/ civil defense license<br>**  |
| 46 | Development Works Food Company | 431210248188 | 27/12/1445H<br>(corresponding to 03/07/2024G) | Jeddah Governorate Municipality - Obhur Municipality | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-001193766 -44, issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G) |





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|-----|--------------------------------|-------------|---|--|--|
| 47. | Development Works Food Company | 42085420771 | 17/08/1446H<br>(corresponding to 16/02/2025G) | Riyadh Region Municipality - Al-Uraija Municipality    | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 2-000710427 -44, issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G) |
| 48  | Development Works Food Company | 40082155611 | 29/08/1446H<br>(corresponding to 28/02/2025G) | Qassim Region Municipality - Al-Safra Sub-municipality | The company shall not issue a safety/ civil defense license **   |
| 49  | Development Works Food Company | 42055048881 | 20/05/1445H<br>(corresponding to 04/12/2023G) | Riyadh Municipality - Al Naseem Municipality           | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 2-000659547 -44, issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G) |
| 50  | Development Works Food Company | 41123643363 | 14/12/1445H<br>(corresponding to 20/06/2024G) | Riyadh Region Municipality - Al-Maathar Municipality   | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 1-001193914 -44, issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G) |



|     |                                |             |  |  |  |
|-----|--------------------------------|-------------|--|--|--|
| 51. | Development Works Food Company | 42115874069 | 03/12/1446H<br>(corresponding to<br>30/05/2025G) | Riyadh Municipality -<br>Irqah Municipality                | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 2-000743992 -44, issued on 29/01/1445H (corresponding to 16/08/2023G) and ending on 29/01/1446H (corresponding to 04/08/2024G) |
| 52. | Development Works Food Company | 42126013874 | 28/12/1446H<br>(corresponding to<br>24/06/2025G) | Jeddah Governorate<br>Municipality - South<br>Municipality | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 2-000952242 -44, issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G) |
| 53. | Development Works Food Company | 43058098988 | 25/05/1446H<br>(corresponding to<br>27/11/2024G) | Municipality of Riyadh<br>Region - Irqah<br>Municipality   | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 2-00841576 -44, issued on 26/11/1444H (corresponding to 15/06/2023G) and ending on 26/11/1445H (corresponding to 03/06/2024G)  |



|    |                                |              |  |  |  |
|----|--------------------------------|--------------|--|--|--|
| 54 | Development Works Food Company | 43026115439  | 06/03/1448H<br>(corresponding to 19/08/2026G)    | Riyadh Region Municipality - Al-Aziziya Municipality | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 2-000779127 -44, issued on 02/12/1444H (corresponding to 20/06/2023G) and ending on 02/12/1445H (corresponding to 08/06/2024G) |
| 55 | Development Works Food Company | 431210207336 | 12/20/1445 AH<br>(corresponding to 06/26/2024 G) | Riyadh Municipality - Al-Malaz Municipality          | The company shall act under a safety certificate issued by the General Directorate of Civil Defense No. 2-000966163 -44, issued on 01/12/1444H (corresponding to 19/06/2023G) and ending on 01/12/1445H (corresponding to 07/06/2024G) |

Source: Company

\* Obtaining all safety and Civil Defense license is underway to renew as of the date of this prospectus

\*\*Obtaining all safety and Civil Defense license is in progress as of the date of this prospectus

### 10.10 Subsidiaries

In accordance with Article (4) of the Company's Articles of Association, the Company may establish its own companies with limited liability or joint stock after fulfilling the requirements of the regulations and instructions followed in this regard. It may also own shares in other existing companies or merge with them; it shall be entitled to participate with others in the establishment of joint stock or limited liability companies, after fulfilling the required provisions and regulations. The Company may also dispose of these shares, provided that this does not include mediation in their trading. As of the date of this prospectus, the Company has one (1) subsidiary in the Kingdom of Saudi Arabia. Details of such subsidiary are as follows.

#### **Feddan Fruits Company for Vegetables and Fruits**

- On 22/02/1441H (corresponding to 21/10/2019G) the subsidiary "Feddan Fruits Company for Vegetables and Fruits" was established as a limited liability company by the two partners (1)Development Works Food Company and (2) Mr. Nasser bin Abdulaziz Al-Siyari . This is pursuant to the memorandum of association No. (100000514), issued on 22/02/1441H (corresponding to 21/10/2019G) and authenticated by the notary public assigned by the Ministry of Commerce and Investment.
- The company was registered in the Commercial Registry under Commercial Register No. (1010454082) on 05/11/1439H (corresponding to 18/07/2018G). The headquarters of the company is located in Riyadh - Al-Basala, Al Aziziyah District - Unit No. (85) - 14512 - 7319, and it is entitled to open branches inside or outside the Kingdom of Saudi Arabia, whenever the interest of the company requires so, under a resolution issued by the management.
- The company's current capital is five hundred thousand (500,000) Saudi riyals divided into five hundred (500) shares of equal value. The value of each share is one thousand (1,000) Saudi riyals distributed among the partners as follows:

Table No. (61): Partners in the Feddan Fruits and Vegetables Company.

| Partner                        | Number of shares | Share value | TOTAL          | Percentage  |
|--------------------------------|------------------|-------------|----------------|-------------|
| Development Works Food Company | 350              | 1,000       | 350,000        | 70%         |
| Nasser bin Abdulaziz Al-Siyari | 150              | 1,000       | 150,000        | 30%         |
| <b>Total</b>                   | <b>500</b>       | <b>-</b>    | <b>500,000</b> | <b>100%</b> |

Source: Company

- **Commercial activities:** The main activity of the company according to Commercial Register Certificate No. (1010454082) (fruits wholesale, vegetables wholesale, dates wholesale, fresh and preserved fruits and vegetables in retail, dates in retail).
- **Management:** The company is managed by one manager, Mr. Nasser bin Abdulaziz Al-Siyari, and he has all the powers stipulated in the memorandum of association.

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- **Headquarter:** According to Commercial Register Certificate, the headquarters of the company is located in Riyadh - Al-Basala, Al Aziziyah District - Unit No. (85) - 14512 - 7319, and it is entitled to open branches inside or outside the Kingdom of Saudi Arabia, whenever the interest of the company requires so, under a resolution issued by the management Company.
- The table below shows the most prominent licenses obtained by the company:

Table No. (62): Subsidiary's licenses.

| Type of license  | Purpose  | Licensee  | License No.         | Issuance/<br>Renewal Date                      | Expiry Date                                   | Licensor  |
|--|--|---|---------------------|--|---|---|
| Commercial Register  | Registration of the company in the Commercial Companies registry                             | Feddan Fruits Company for Vegetables and Fruits | 1010454082          | 05/11/1439H<br>(corresponding to 18/07/2018G). | 25/02/1446H<br>(corresponding to 29/08/2024G) | Ministry of Commerce and Investment - Commercial Registry in Riyadh |
| Membership certificate of the Chamber of Commerce and Industry (Second Degree) | The company's commitment to the Commercial Register Law                                      | Feddan Fruits Company for Vegetables and Fruits | 454511              | 05/11/1439H<br>(corresponding to 18/07/2018G). | 05/11/1444H<br>(corresponding to 25/05/2023G) | Chamber of Commerce and Industry in Riyadh                          |
| Zakat and Income Certificate   | To prove that the company submitted its annual declaration and paid zakat                    | Feddan Fruits Company for Vegetables and Fruits | 1020204935          | 20/09/1443H<br>(corresponding to 21/04/2022G)  | 10/10/1444H<br>(corresponding to 30/04/2023G) | Zakat, Tax and Customs Authority                                    |
| VAT registration certificate   | To prove that the company is registered in value added tax (VAT)                             | Feddan Fruits Company for Vegetables and Fruits | 310488524900<br>003 | 17/05/1441H<br>(corresponding to 12/01/2020G)  | NA  | Zakat, Tax and Customs Authority                                    |
| GOSI Contribution Certificate  | The company's commitment to the regulations of the General Organization for Social Insurance | Feddan Fruits Company for Vegetables and Fruits | 47717294            | 25/12/1443H<br>(corresponding to 24/07/2022G)  | 24/01/1444H<br>(corresponding to 22/08/2022G) | General Organization for Social Insurance                           |
| Saudization certificate  | To prove that the company complies with the required Saudization percentage                  | Feddan Fruits Company for Vegetables and Fruits | 200022060040<br>90  | 06/11/1443H<br>(corresponding to 05/06/2022G)  | 09/02/1444H<br>(corresponding to 05/09/2022G) | Ministry of Human Resource and Social Development                   |

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|                                       |   |   |                |   |   |   |
|---------------------------------------|---|---|----------------|---|---|---|
|                                       | according to Nitaqat program  |   |                |   |   |   |
| WPS Compliance Certificate            | Proving that the company shall deposit workers' wages through local banks and regularly uploading and submitting the wages file | Feddan Fruits Company for Vegetables and Fruits | 20012207011026 | 25/12/1443H<br>(corresponding to 24/07/2022G) | 25/02/1444H<br>(corresponding to 21/09/2022G) | Ministry of Human Resource and Social Development   |
| Entity Evaluation Certificate Nitaqat | Evaluation of the Entity according to Nitaqat program, which indicates that the company is in the low green domain.             | Feddan Fruits Company for Vegetables and Fruits | 1-2072986      | 07/11/1443H<br>(corresponding to 06/06/2022G) | -   | Department of Electronic Services of the Ministry of Human Resources and Social Development |
| Business license                      | In compliance with the Law of Municipalities and Rural Areas and licensing to practice commercial activity                      | Feddan Fruits Company for Vegetables and Fruits | 41103579900    | -   | 24/10/1446H<br>(corresponding to 22/04/2025G) | Riyadh Municipality - Al Aziziya Sub-Municipality   |
| Safety certificate *                  | The company shall be bound to the safety conditions of General Directorate of Civil Defense                                     | Feddan Fruits Company for Vegetables and Fruits | -              | -   | -   | General Directorate of Civil Defense  |

Source: Company

\* Its issuance is in progress as of the date of this prospectus

## 10.11 Continuing Obligations imposed by the Governmental Authorities on the Company in its Capacity as a Licensee

In accordance with the provisions stipulated in Section (10) "Legal Information" of the prospectus, the company obtained the necessary licenses to practice its activities in accordance with the laws in force in the Kingdom of Saudi Arabia and the instructions issued by the competent regulatory authorities, which compel the licensee to abide by some substantial requirements in order to maintain the license, as follows:

### 10.11.1 The Continuing Obligations as per the requirements of the Ministry of Commerce

- The Company shall comply with the Law of Commercial Register in terms of registration with the Commercial Registry in Riyadh, where the headquarters is, under Certificate No. (1010290779), issued on 16/07/1431H (corresponding to 28/06/2010G) and shall expire on 08/02/1446H (corresponding to 12/08/2024G).
- The Company shall also comply with the Companies Law in terms of adopting the Company's Articles of Association in line with the new and recent amendments made to the Companies Law, after obtaining a prior approval from the Ministry of Commerce on the draft Articles of Association and the approval of the Shareholders in the EGA meeting on 09/02/1443H (corresponding to 16/09/2021G). The Articles of Association were approved by the company Governance Department (Ministry of Commerce) on 24/02/1443H (corresponding to 21/09/2021G). The Company complied with the requirements of the

CMA and the Saudi Exchange (Tadawul) in terms of uploading a copy of the Articles of Association on Tadawul website on the Company page.

- The Company shall also comply with the Law of Commercial Register in terms of obtaining a membership certificate of the Chamber of Commerce and Industry under the Certificate No. (234891), issued on 21/07/1431H (corresponding to 03/07/2010G) and shall expire on 08/02/1446H (corresponding to 12/08/2024G).
- The company shall comply with completing the procedures for establishing its branches and shall also comply with the Law of Commercial Register in terms of registration with the Commercial Registry.
- The company has two trademarks registered with the Ministry of Commerce and Investment in Category No. (43) which is concerned with the provision of food, beverages and temporary accommodation services. The first certificate was issued with the number (1436014382), on 03/07/1436H (corresponding to 22/04/2015G), and protection begins under it on 03/07/1436H (corresponding to 22/04/2015G) and ending on 02/07/1446H (corresponding to 02/01/2025G). While the second certificate was issued with the number (1437018913), on 16/08/1437H (corresponding to 23/05/2016G), and protection begins under it on 16/08/1437H (corresponding to 23/05/2016G) and ends on 15/08/1447H (corresponding to 03/02/2026G).



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- Subsidiary: The subsidiary shall abide by the Law of Commercial Register in terms of registration with the Commercial Registry in Riyadh under the number (1010454082), on 05/11/1439H (corresponding to 18/07/2018G), and it also subscribed to the Chamber of Commerce and Industry under subscription No. (454511).
- Notwithstanding the above-mentioned provisions of Section (2) "Risk Factors" stipulated in this Prospectus, the company and its subsidiary shall abide by the requirements of the Ministry of Commerce.

### 10.11.2 The Continuing Obligations as per the requirements of Zakat, Tax and Customs

#### Authority

The Company, like other registered establishments and companies operating in KSA, shall be obliged to submit its zakat and tax returns within

(120) days from the end of the fiscal year for the purpose of renewing the certificate issued by the Zakat, Tax and Customs Authority. The Company was registered as a taxpayer under the distinguished tax number (3004305286); it submitted its zakat return for the fiscal year ended on December 31, 2021G, and obtained a zakat certificate No. (1110284485) from Zakat, Tax and Customs Authority, on 13/11/1443H (corresponding to 12/06/2022G) and valid until 10/10/1444H (corresponding to 30/04/2023G). It is worth noting that the zakat paid for the fiscal year ended on December 31, 2020G, amounted to (241,431) Saudi riyals, and during 2021G, it amounted to (227,437) Saudi riyals. As for 2021G, the amount of three hundred and forty-eight thousand one hundred and fifty-five (348,155) Saudi riyals, while the provision for zakat in the fiscal year ending on December 31, 2021G, amounted to three hundred and three thousand five hundred and ninety (303,590) Saudi riyals.

- The company shall comply with the Value Added Tax (VAT) Law and its executive regulations and is registered with the Zakat, Tax and Customs Authority under tax number (300430528600003) according to a certificate issued on 16/05/1440H (corresponding to 22/01/2019G), noting that the company has been registered since 02/12/1438H (corresponding to 24/08/2017G).
- In compliance with the law of the Zakat, Tax and Customs Authority, the company's branches (32 branches) within the list of taxpayer branches (Development Works Food Company).
- The company submitted its zakat returns for all fiscal years from the beginning of practicing its activity until the fiscal year ended on December 31, 2021G, and paid the due zakat according to those returns and obtained a zakat certificate valid until April 30, 2023G.
- Examination and assessment were carried out up to 2019G. As for 2020G, the Zakat return was examined and the assessment of the Zakat, Tax and Customs Authority was objected. The objection was rejected by Zakat, Tax and Customs Authority. The objection was submitted to the tax committees under Case No. (Z-89840-2022) with an amount of (448,481) Saudi riyals and no response was received until the date of this publication prospectus.





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- The company shall comply with the law of the Zakat, Tax and Customs Authority. The Company was registered as a taxpayer under the distinguished tax number (3104885249); it submitted its zakat return for the fiscal year ended on December 31, 2021G, and obtained a zakat certificate No. (1020204935) from Zakat, Tax and Customs Authority, on 20/09/1443H (corresponding to 21/04/2022G) and valid until 10/10/1443H (corresponding to 30/04/2023G). The company shall comply with the Value Added Tax (VAT) Law and its executive regulations and is registered with the Zakat, Tax and Customs Authority under tax number (310488524900003), on 17/05/1441H (corresponding to 12/01/2020G).
- Notwithstanding the above-mentioned provisions of Section (2) "Risk Factors" stipulated in this Prospectus, the company and its subsidiary shall abide by the requirements of Zakat, Tax and Customs Authority.

### 10.11.3 The Continuing Obligations as per the requirements of the Ministry of Human Resources and Social Development

- A file has been opened with the Ministry of Human Resources and Social Development (Labor Office) under the unified number (1-290413) according to the Saudization certificate. As of the date of publishing this Prospectus, the Company benefits from the E-services of the Ministry of Human Resources and Social Development. A Saudization certificate was obtained to prove that the Company complies with the required Saudization percentage according to the Nitaqat program, which amounts to (28.81%). The company is in the (high green) domain (Intermediate - category C).
- The company complies with the provision of Article (13) of the Labor Law, which obliges the employer to prepare a regulation to organize the work in his establishment according to the template prepared by the Ministry, and to publish it and any amendment thereto in a visible place in the establishment. As of the date of preparing this prospectus, the company's internal regulation No. (580120), which was issued on 02/11/1443H (corresponding to 01/06/2022G) and approved by the Ministry of Human Resources and Social Development, was reviewed.
- The Company shall comply with the wages protection system according to the commitment certificate No. (20012207011020), issued on 25/12/1443H (corresponding to 24/07/2022G); this certificate shall be valid for a period of (60) days starting from its issuance date to 25/02/1444H (corresponding to 21/09/2022G). The liability percentage reached (%96) in February 2022G.
- The company shall certify its employees' employment contracts electronically, and the liability percentage reached (93%) as in February 2022, according to a report issued by the "Madad" platform on 09/08/1443H (corresponding to 12/03/2022G).
- The Company complies with the required Saudization percentage according to the Nitaqat program. A Saudization certificate No. (543453 -20534080), was obtained from Ministry of Human Resources and Social Development on 10/11/1443H (corresponding to 09/06/2022G) and shall expire on 11/02/1443H (corresponding to 07/09/2022G).



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- The subsidiary is registered in the Ministry of Human Resources and Social Development (Labor Office) with file No. (2072986-1) and it shall comply with the wage protection system in accordance with Certificate No. (20012206008097), issued on 10/11/1443H (corresponding to 09/06/2022G) which shall expire on 10/12/1443H (corresponding to 09/07/2022G).
- According to a report issued by the (Madad) platform, the subsidiary shall certify its employees' employment contracts. The subsidiary complies with the provision of Article (13) of the Labor Law, which obliges the employer to prepare a regulation to organize the work in his establishment according to the template prepared by the Ministry, and to publish it and any amendment thereto in a visible place in the corporation. As of the date of preparing this prospectus, the company's internal regulation No. (378487), which was issued on 07/11/1443H (corresponding to 06/06/2022G) and approved by the Ministry of Human Resources and Social Development, was reviewed.
- The subsidiary shall comply with the wages protection system according to the commitment certificate No. (20012207011026), issued on 25/12/1443H (corresponding to 24/07/2022G); this certificate shall be valid for a period of (60) days starting from its issuance date to 25/02/1444H (corresponding to 21/09/2022G).

Notwithstanding the above-mentioned provisions of Section (2) "Risk Factors" stipulated in this Prospectus, the company and its subsidiary shall abide by the requirements of the Ministry of Human Resources and Social Development.

### 10.11.4 The Continuing Obligations as per the requirements of the General Organization for Social Insurance

- A file has been opened with the General Organization for Social Insurance on behalf of the company, under subscription No. (504179079); it is registered in the pension and occupational hazards branches for Saudi contributors. For non-Saudi contributors, it is registered in the Occupational Hazards Branch, in accordance with the GOSI Contribution Certificate No. (47716373), issued on 25/12/1443H (corresponding to 24/07/2022G) and which shall expire on 24/01/1444H (corresponding to 22/08/2022G). The number of contributors has reached (660), including one hundred seventy-two (172) Saudi contributors, and four hundred and eighty-eight (488) non-Saudi contributors. The value of the contributions paid in 2021G amounted to two million, three hundred and thirty-six thousand, two hundred and sixty-three point two (2,336,263.02) Saudi riyals.
- Subsidiary: It shall comply with social insurance law, as a file has been opened with the General Organization for Social Insurance on behalf of the company, under subscription No. (591370138); it is registered in the pension and occupational hazards branches for Saudi contributors. For non-Saudi contributors, it is registered in the Occupational Hazards Branch, in accordance with the GOSI Contribution Certificate No. (47717294), issued on 25/12/1443H (corresponding to 24/07/2022G).

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Notwithstanding the above-mentioned provisions of Section (2) "Risk Factors" stipulated in this Prospectus, the company and its subsidiary shall abide by the requirements of the General Organization for Social Insurance.

### 10.11.5 The Continuing Obligations as per the requirements of the CMA

- The CMA requires listed companies in the Capital Market to abide by the rules of offering security, continuing obligations and by the special instructions issued by the CMA, in particular the obligation to periodically disclose the substantial and financial developments and the Board of Directors' report. Moreover, according to the Continuing Obligations manual of Listed Companies, the annual financial outcomes announced on Tadawul website shall be derived from the audited financial statements approved by the Company's external auditor appointed by the Assembly and approved by the Board of Directors, and the Company shall adhere to the declarations forms included in the instructions for companies' declarations of their financial outcomes. The Company shall also provide a statement of all the causes and effects of the change in the financial outcomes for the current fiscal year according to the base period, so that the reasons shall include all the items of the financial outcomes declarations.
- The CMA requires listed companies in the Capital Market to disclose the stages of their compliance with the transition to the International Financial Reporting Standards (IFRS). On 13/04/1439H (corresponding to 31/12/2017G), the Company announced on Tadawul website that it is committed to such transition and it started applying the International Financial Reporting Standards (IFRS) as of 01/01/2017G. The company's financial statements for the fiscal year ended on 31/12/2020G and the fiscal year ended on 31/12/2021G have also been prepared in accordance with international standards approved in the Kingdom of Saudi Arabia.
- The CMA requires listed companies in the Capital Market to follow the list of instructions for declarations of joint-stock companies whose shares are listed therein, issued pursuant to the CMA Board's resolution No. (1-199-2006) on 18/07/1427H (corresponding to 12/08/2006G), as amended according to Resolution No. (1-104-2019) on 01/02/1441H (corresponding to 30/09/2019G).
- The CMA requires listed companies in the Capital Market to appoint representatives in the Capital Market Authority for all purposes related to the implementation of the Capital Market Authority law and its executive regulations. The company carried out that, as the Board of Directors appointed Mr. Anas Salih Alamoud (Chairman of the Board of Directors) and Mr. Hisham Abdul Rahman Muhammad bin Muqrin (Senior Executives - Chief Executive Officer) are representatives of the company at the Capital Market Authority.
- The Authority also obligated the listed companies to apply the conditions contained in the executive regulations of the companies' system for listed joint stock companies issued by the Board of the Capital Market Authority under Resolution No. (8 - 127 - 2016) dated 01/16/1438H (corresponding to 10/17/2016AD) amended by Resolution No. The Authority's Board No. (2-26-2023), dated 9/5/1444 AH (corresponding to 3/27/2023 AD), disclosed in the report of the Board of Directors a comprehensive statement of all that the members of the Board of Directors

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received during the fiscal year in terms of remuneration, expenses allowance, and other The financial and in-kind benefits paid to each member of the Board of Directors in return for any executive, technical, administrative or advisory work or positions, and the company has committed to disclose the remunerations received by the members of the Board of Directors for the fiscal years 2020 and 2021.

- With regard to the company governance, the table below includes a summary of the company's compliance with the corporate governance regulations issued by the Capital Market Authority.
- It is worth noting that the violation of any rules and procedures, or failing to implement them, the company shall be subject to legal accountability by the Capital Market Authority, which may do the following or any of them, namely:
  1. Sending a warning notice to the company
  2. Compelling the company to take the necessary measures to avoid the occurrence of the violation, or to take the necessary corrective procedures to remedy the consequences of the violation.
  3. Imposing a fine of no more than five million (5,000,000) Saudi riyals for each violation committed by the company.

During 2019G, the company was subjected to the imposition of a fine of ten thousand (10,000) Saudi riyals for violating the article (65) of the on Offering of Securities and Continuing Obligations, due to its failure to provide the CMA and disclose to shareholders the report of its board of directors for the fiscal year ending on 31/12/2018G during the specified statutory period. The company did not disclose this until 29/04/2019.

Table No. (63): A summary of the most important provisions of the Corporate Governance Regulations which the company abode by

| Article No. | Details   | Responsible Authority | Commentary  |
|-------------|---|-----------------------|---|
| 9/b         | The board of directors shall set a clear policy regarding the distribution of dividends in favor of the shareholders' interests and the company in accordance with the company's articles of association. | Board of Directors    | Compliant - the company has a dividend policy that was approved by the Board of Directors on 12/06/1442H (corresponding to 25/01/2021G) |
| 8/a         | Providing a copy of the information about the nominees for the membership of the Board of Directors on the company's website  | Board of Directors    | Compliant   |



|             |   |                                |  |
|-------------|---|--------------------------------|--|
| 12/5 and 54 | Formation of the Audit Committee  | Shareholders' General Assembly | Compliant - The Audit Committee was formed and its members were appointed with the approval of the Shareholders' Extraordinary General Assembly on 09/02/1443H (corresponding to 16/09/2021G).                             |
| 54/c        | The company's general assembly, in accordance with a proposal from the Board of Directors, shall issue the audit committee regulation, provided that such regulation includes the rules and procedures of the committee's tasks, duties, the rules for selecting its members, how to nominate them, the duration of their membership, their remuneration, and the mechanism for temporarily appointing its members in the event that one of its seats becomes vacant. | Shareholders' General Assembly | Compliant - the company has the Audit Committee's work regulations approved by the Board of Directors on 29/05/1439H (corresponding to 15/02/2018G) and the General Assembly on 12/01/1439H (corresponding to 25/07/2018G) |
| 12/6        | Approval of the financial statements during 2021G   | Shareholders' General Assembly | Compliant - The financial statements for 2021G were approved by the Ordinary General Assembly on 17/11/1443H (corresponding to 16/06/2022G)  |
| 12/7        | Approval of the Board of Directors' annual report in 2021G  | Shareholders' General Assembly | Compliant - The Board of Directors' annual report for 2021G were approved by the Ordinary General Assembly on 17/11/1443H (corresponding to 16/06/2022G)   |
| 12/9 and 81 | Appointing the company's auditors, determining their remuneration, re-appointing and changing them, and approving their reports.  | Shareholders' General Assembly | Compliant - The appointment of the company's auditor for 2022G and the first quarter of the year 2023 was approved according to the minutes of the Ordinary General Assembly on 17/11/1443H (corresponding to 16/06/2022G) |
| 13/d        | Announcing the date, place and agenda of the General Assembly at least twenty-one days prior to the specified date, on the company's website.   | Board of Directors             | Compliant  |

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|------|--|--------------------------------|--|
| 14/c | Allowing shareholders, through the company's website, when publishing the invitation to convene the general assembly, to obtain information related to the agenda items of the general assembly, especially the board of directors' report, the auditor's report, the financial statements and the report of the audit committee.  | Board of Directors             | Compliant  |
| 22/2 | Enacting laws and rules for internal control and general supervision over it, including: Developing a written policy to remedy actual and potential "conflict of interest" cases for all Board of Directors' members, the executive management members and shareholders, including the misuse of the company's assets and facilities, and misconduct resulting from dealings with relevant parties. Ensuring the integrity of the financial and accounting systems, including those related to the preparation of financial reports. and to ensure that appropriate control systems are applied to measure and manage risks, by developing a general perception of the risks that the company may face, and to create an environment familiar with the circumstances of risk management at the company level and to present it transparently to the company's stakeholders and relevant parties. Annual review to ensure the effectiveness of the company's internal control procedures. | Board of Directors             | Compliant - The company has a conflict of interest policy approved by the Board of Directors on 29/05/1439H (corresponding to 15/02/2018G)   |
| 22/3 | Developing clear and definite policies, standards and procedures for the membership of the Board of Directors, and enforce them after the approval from the General Assembly.  | Shareholders' General Assembly | Compliant - the company has the policies, standards and procedures for membership in the Board of Directors approved by the Extraordinary General Assembly on 12/11/1439H (corresponding to 25/07/2018G) |
| 22/4 | Developing a written policy regulating the relation with stakeholder, in accordance with the provisions of the Corporate Governance Regulations, and it shall specifically include the following:<br>Mechanisms for compensating stakeholders in the event of a violation of their rights  | Board of Directors             | There is no independent policy and it is proved by the provisions of the corporate governance regulations.   |



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|                            |  |                    |  |
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|                            | recognized by law and protected by contracts, mechanisms for settling complaints or disputes that may arise between the company and stakeholders, and appropriate mechanisms to establish good relations with customers and suppliers, and to maintain the confidentiality of information related to them.   |                    |  |
| 22/5                       | Developing policies and procedures that ensure the company's compliance with laws and regulations and its commitment to disclosing substantial information to shareholders and stakeholders, and verifying the compliance of the executive management with them.   | Board of Directors | Compliant- The company has a disclosure and transparency policy approved by the Board of Directors on 29/05/1439H (corresponding to 15/02/2018G) |
| 22/13, 50, 60, 60/A and 64 | Forming specialized subcommittees formed from the Board of Directors by resolutions specifying the committee's term, powers and responsibilities, and how the Board of Directors shall monitor it, provided that the resolution to form such subcommittees includes naming the members and specifying their tasks, rights and duties, with an evaluation of the performance and achievements of these subcommittees and their members. | Board of Directors | Compliant - The company has three (3) committees: Audit Committee, Nomination and Remuneration Committee and Executive Committee.                |
| 23/1                       | Approving and developing the internal policies related to the company's work, including defining the tasks, competencies and responsibilities assigned to the various organizational levels.   | Board of Directors | Compliant - The company has an internal control policy that was approved by the Board of Directors on 12/06/1442H (corresponding to 25/01/2021G) |
| 23/2                       | Adopting a written and detailed policy specifying the powers delegated to the executive management and a table showing those powers, the method of implementation and the delegation period. The Board of Directors may require the executive management to submit periodic reports on practicing its delegated powers.  | Board of Directors | Compliant - approved by the Board of Directors on 25/01/2021G  |
| 25                         | CEO Appointment  | Board of Directors | Compliant - The CEO was appointed pursuant to a Board Decision dated 15/10/1441H (corresponding to 07/06/2020G)                                  |

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|               |   |   |  |
|---------------|---|---|--|
| 26/5          | Developing the organizational and functional structures of the company and submitting them to the Board of Directors for approval.  | Board of Directors                      | Compliant - The organizational structure of the company has been reviewed  |
| 26/10         | Proposing a policy and types of remuneration to be granted to workers, such as fixed remuneration, performance-related remuneration, and remuneration in the form of shares.  | Board of Directors                      | There is no independent policy and it is proved by the provisions of the corporate governance regulations.   |
| 43            | A written and clear policy for dealing with actual or potential conflict of interest cases that could affect the performance of the Board of Directors' members, executive management or other workers of the company when they deal with the company or with other stakeholders  | Board of Directors                      | Compliant - The company has a conflict of interest policy approved by the Board of Directors on 29/05/1439H (corresponding to 15/02/2018G)   |
| 55/b/4 and 74 | Appointing the manager of the internal audit division or department or the internal auditor and proposing his remuneration.   | Board of Directors                      | NA   |
| 60/b and 64/b | The company's general assembly, in accordance with a proposal from the Board of Directors, shall issue the regulation of Remuneration and Nominations Committee, provided that such regulation includes the rules, procedures and agenda of the committee's tasks, duties, the rules for selecting its members, how to nominate them, the duration of their membership, their remuneration, and the mechanism for temporarily appointing its members in the event that one of its seats becomes vacant. | Shareholders' General Assembly          | Compliant - The company has the Remuneration and Nominations Committee's work regulations approved by the Extraordinary General Assembly on 12/11/1439H (corresponding to 25/07/2018G)   |
| 61/1          | The Remuneration and Nominations Committee shall prepare a clear policy for the remuneration of the Board of Directors' members and the subcommittees formed from the Board of Directors and the Executive Management, and submit it to the Board of Directors for consideration in preparation for approval by the General Assembly, provided that the performance-related standards shall be taken into account while developing such policy, disclose it, and verify its implementation.             | Shareholders' General Assembly          | Compliant - the company has a remuneration policy for the board of directors' members, subcommittees and senior executives approved by the shareholders' (extraordinary) general assembly on 12/11/1439H (corresponding to 25/07/2018G). |
| 65/3          | Preparing a description of the capabilities and qualifications required for the membership of the Board of Directors and occupying executive management positions.  | Nominations and Remunerations Committee | Compliant - There is a policy for the standards and procedures of the Board of Directors'  |



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|      |   |                    |  |
|------|---|--------------------|--|
|      |   |                    | membership approved by the Board of Directors on 29/05/1439H (corresponding to 15/02/2018G)  |
| 68   | Announcing the beginning of candidacy for the membership of the Board of Directors on the company's website.  | Board of Directors | Compliant  |
| 84   | Policies or procedures complied by stakeholders in filing their complaints or reporting violations.   | Board of Directors | There is no independent policy and it is proved by the provisions of the corporate governance regulations  |
| 86   | Professional Conduct and Ethics Policy  | Board of Directors | Compliant- The company has a Professional Conduct and Ethics Policy approved by the Board of Directors on 12/06/1442H (corresponding to 25/01/2021G) |
| 89   | A written disclosure policies and supervisory procedures and systems in line with the disclosure requirements contained in the Companies Law and the Capital Market Law | Board of Directors | Compliant - There is a disclosure policy approved by the Board of Directors on 29/05/1439H (corresponding to 15/02/2018G)                            |
| 91/b | Publishing the audit committee report on the company's website  | Board of Directors | Compliant - The report of the Audit Committee was approved by the General Assembly on 16/06/2022G  |
| 94   | Company's governance rules that do not conflict with the mandatory provisions   | Board of Directors | Compliant - the company has a governance regulations approved by the Board of Directors on 12/06/1442H (corresponding to 25/01/2021G)                |

Source: Company

Notwithstanding the above-mentioned provisions of Section (2) "Risk Factors" stipulated in this Prospectus, the company shall abide by the requirements and laws of the Capital Market Authority...

**10.11.6 The Continuing Obligations as per the requirements of the Ministry of Municipal, Rural Affairs and Housing (“Ministry of Municipalities”)**

- A municipal license shall be obtained for the sites rented by the company; so that the Company can operate them, bearing in mind that the municipality or the secretariat requires the following documents: A copy of the Commercial Register, a copy of the articles of association, a copy of the lease contract, and a copy of the building permit for the rented facility or warehouse, a copy of the real estate office’s license, a photocopy of the building from a distance, including the plate (with a copy of the plate invoice and the registration of the Company trademark ownership to be used on the facade), in addition to the license of General Directorate of Civil Defense.
- The company has concluded fifty-five (55) lease contracts for various locations in the Kingdom of Saudi Arabia as a Tenant, with the aim of conducting its activities in restaurants and providing services. Accordingly, the company shall be bound by the requirements of the Ministry of Municipal and Rural Affairs and Housing in terms of obtaining licenses to practice commercial activity (the municipality) from the competent authorities.
- As of the date of this prospectus, the company shall abide by the requirements of the Ministry of Municipal and Rural Affairs and Housing, where it has obtained a municipal license (professional license) with the number (40122531814), issued on 03/12/1440H (corresponding to 04/08/2019G), which shall expire on 12/12/1444H ( Corresponding to 20/06/2023G, (55) municipal licenses were obtained for the various branches and their affiliated points of sale, and safety certificates for the headquarters and points of sale, were obtained with the exception of (4) locations..
- The company shall abide by the regulation of health requirements issued by the Ministry of Municipal and Rural Affairs and Housing, and it has obtained health licenses for workers at points of sale. The number of licenses that have been reviewed has reached three hundred and twenty-nine (329) health cards.
- Subsidiary: The subsidiary company shall abide by the requirements of the Ministry of Municipal and Rural Affairs and Housing, as it has obtained a municipal license for its location with the number (41103579900), which is valid until 24/10/1446H (corresponding to 22/05/2025G).

Notwithstanding the above-mentioned provisions of Section (2) “Risk Factors” stipulated in this Prospectus, the company shall abide by the requirements of the Ministry of Municipal and Rural Affairs and Housing.

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### 10.12 Summary of Material Contracts

#### 10.12.1 Contracts and Dealings with related parties

According to the statement of the company's management and the financial statements that were reviewed by the company, dealings with related parties of sister companies, subsidiaries and shareholders, as represented in the fees for attending meetings, bonuses, salaries and other benefits that were paid during the three fiscal years preceding the submission of the application to the CMA between the company and various authorities, and the following tables show the main dealings with related parties and the balances resulting from them during the three years preceding the submission of the application to the CMA:

Table No. (64): Dealings with related parties for the year 2019G.

| Related Parties                                 | Relation       | Dealing status | Dealing value / Saudi riyal |
|---|----------------|----------------|-----------------------------|
| Feddan Fruits Company for Vegetables and Fruits | Sister company | Supply         | 971,072                     |
| <b>Total</b>                                    |                |                | <b>971,072</b>              |

Source: Company

Table No. (65): Dealings with related parties for the year 2020G.

| Related Parties   | Relation           | Dealing status              | Dealing balance/ Saudi riyal |
|---|--------------------|-----------------------------|------------------------------|
| <b>Payable by related parties</b>                                   |                    |                             |                              |
| Feddan Fruits Company for Vegetables and Fruits                     | Subsidiary         | Supply                      | -                            |
| <b>Due to related parties</b>                                       |                    |                             |                              |
| Mr. Ashry Saad Alashry  | Former Chairman    | Funding                     | 297,425                      |
| Mr. Nasser bin Abdulaziz Al-Siyari                                  | Subsidiary Partner | Custodies                   | 182,160                      |
| <b>Total</b>  |                    |                             | <b>479,585</b>               |
| <b>The most significant dealings that made with related parties</b> |                    |                             |                              |
| Mr. Ashry Saad Alashry  | Former Chairman    | Funding                     | 4,180,000                    |
| Board of Directors  |                    | Fees for attending meetings | 360,185                      |
| Senior Management   |                    | Salaries and other benefits | 1,277,610                    |
| <b>Total</b>  |                    |                             | <b>5,817,795</b>             |

Source: Company



Table No. (66): Dealings with related parties for the year 2021G.

| Related Parties                                | Relation   | Dealing status                             | Dealing balance/ Saudi riyal |
|--|--|--|------------------------------|
| <b>Payable by related parties</b>              |  |  |                              |
| Mr. Nasser bin Abdulaziz Al-Siyari             | Subsidiary Partner   | Custodies                                  | 65,740                       |
| Ajdan for Vegetables and Fruits Company        | Sister company<br>A company<br>invested in by the<br>subsidiary (Feddan<br>Fruits Company<br>for Vegetables and<br>Fruits) | Purchases of products by<br>the subsidiary | 150,269                      |
| <b>Total</b>                                   |  |  | <b>216,009</b>               |
| <b>Due to related parties</b>                  |  |  |                              |
| Mr. Ashry Saad Alashry                         | Former Chairman  | Funding                                    | -                            |
| Mr. Nasser bin Abdulaziz Al-Siyari             | Subsidiary Partner   | Custodies                                  | -                            |
| <b>Total</b>                                   |  |  | <b>-</b>                     |
| <b>Important dealings with related parties</b> |  |  |                              |
| Mr. Ashry Saad Alashry                         | Former Chairman  | Funding                                    | -                            |
| Board of Directors members                     | Management   | Fees for attending meetings                | 228,000                      |
| Senior Management                              | Management   | Salaries and other benefits                | 1,195,751                    |
| <b>Total</b>                                   |  |  | <b>1,423,751</b>             |

Source: Company

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### 10.12.2 Lease Contracts

The company entered into fifty five(55)contracts as a Tenant, of which Four (4)are not electronically certified, and fifty one (51)are electronically certified, according to the following details. A list of the lease contracts and their most important details, are as follows:

Table No. (67): A list of the lease contracts that are not electronically certified, which the company entered into as a Tenant.

| # | Landlord                                  | Tenant                         | Location      | Property type                               | Contract Date                                   | Contract Term   | Contract expiry date                            | Contract value / Saudi riyal   | Renewal   | Notes  |
|---|---|--------------------------------|---------------|---|---|---|---|--|---|--|
| 1 | Abdullah Abdul Rahman Saad Al Muqrin      | Development Works Food Company | Shifa Street  | Commercial building / hall with three exits | 14/07/1433 H<br>(corresponding to 01/06/2012 G) | Ten (10) years starting from 01/09/1433 H (corresponding to 20/07/2012 G) | 15/07/1451 H<br>(corresponding to 22/11/2029 G) | Three hundred and eighty thousand (380,000) Saudi riyals to be paid every six months | The second party shall notify the first party for a period of no less than a month before the expiry of the contract if he wishes to leave the premises, otherwise it is valid. | A contract that is not electronically certified so it is being certified |
| 2 | Al Jonah Sweets and Outside Catering Ltd. | Development Works Food Company | Sameer Street | Trade fair                                  | 04/04/1440H<br>(corresponding to 11/12/2018 G)  | Five (5) years starting from 01/05/1440H                                  | 30/04/1445H<br>(corresponding to 14/11/2023 G)  | Two hundred twenty-five thousand (225,000) Saudi riyals                              | -   | A contract that is not electronically certified so it is being certified |

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|   |                                 |                                |  |                    |  |  |   |   |  |   |
|---|---------------------------------|--------------------------------|--|--------------------|--|--|---|---|--|---|
| 3 | Nujoom Al Salam Holding Company | Development Works Food Company | Al-Rawda District - Khaleed bin Al-Walid | Exhibition No. 2,3 | 10/24/1439 AH (corresponding to 07/08/2018 AD) | 5 AD years                               | 09/22/1444 AH (corresponding to 04/13/2023 AD). | 120,000 Riyals annually                             | It is automatically renewed upon payment | A contract that is not electronically certified so it is being certified (The contract is valid as long as the renewal is made upon payment of the rent amount) |
| 4 | Mahra Mushabab Contracting Est  | Development Works Food Company | Abha, Al Matar District, Airport Road    | Booth              | 20/02/1439H (corresponding to 09/11/2017G)     | Six (6) years starting from 01/04/2018G) | 21/10/1445H (corresponding to 30/04/2024G)      | Thirty-five thousand (35,000) Saudi Riyals annually | -  | A contract that is not electronically certified so it is being certified  |

Source: Company

\* Certifying all contracts, mentioned in the above table, is in progress as of the date of this prospectus.

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Table No. (68): A list of the lease contracts that are electronically certified, which the company entered into as a Tenant.

| # | Landlord   | Tenant   | Location   | Property type | Contract Date                                  | Contract Term   | Contract expiry date                           | Contract value / Saudi riyal  | Renewal  | Notes                                       |
|---|--|--|--|---------------|--|---|--|---|--|---|
| 1 | TLD Company (represented by Bandar Ibrahim Suleiman Al-Odhai bi) | Development Works Food Company (Joint-stock company) | Al Nasr, 14513, Riyadh, Riyadh 8809, 3518                      | Shop          | 03/23/1445 AH (corresponding to 10/08/2023 AD) | One (1) year starting from 02/30/1445 AH (corresponding to 09/15/2023 AD)                         | 03/11/1446 AH (corresponding to 09/14/2024 AD) | The total contract value is one hundred thousand seven hundred and fifty (100,750) Saudi riyals | If both parties wish to renew, a new contract shall be written, agreed upon by both parties. | A contract that is electronically certified |
| 2 | Abdul Karim bin Abdullah bin Muhammad Al Mugai teeb              | Development Works Food Company (Joint-stock company) | Prince Mishaal bin Abdulaziz Street, 8129, 2455, 12534, Riyadh | Shop          | 16/04/1443H (corresponding to 21/11/2021G)     | Seven hundred and twenty-nine (729) days starting from 03/07/1443H (corresponding to 04/02/2022G) | 22/07/1445H (corresponding to 03/02/2024G)     | The total contract value is two hundred and seventy-six thousand (276,000) Saudi riyals         | If both parties wish to renew, a new contract shall be written, agreed upon by both parties. | A contract that is electronically certified |
| 3 | Sultan Lail Abdullah Al-Mandehel                                 | Development Works Food Company (Joint-stock company) | As Sayl al Kabir, Al Mahdia District, Riyadh,                  | Fair          | 17/09/1442H (corresponding to 29/04/2021G)     | One thousand eight hundred and twenty-six (1,826) days  | 14/11/1447H (corresponding to 01/05/2026G)     | The total contract value is eight hundred and seventy thousand                                  | If both parties wish to renew, a new contract shall be written,                              | A contract that is electronically certified |

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|   |  |   |  |      |  |   |  |  |   |   |
|---|--|---|--|------|--|---|--|--|---|---|
|   |  | compa<br>ny)  | 13757-<br>6339   |      |  | starting<br>from<br>20/09/14<br>42H<br>(correspo<br>nding to<br>02/05/20<br>21G)  |  | (870,000)<br>Saudi<br>riyals   | agreed<br>upon by<br>both<br>parties.   |   |
| 4 | Prince<br>ss<br>Abeer<br>bint<br>Saud<br>bin<br>Abdul<br>aziz Al<br>Saud | Develo<br>pment<br>Works<br>Food<br>Compa<br>ny<br>(Joint-<br>stock<br>compa<br>ny) | Saad Ibn<br>Abi<br>Waqqa,<br>An<br>Nasim<br>Al<br>Gharbi<br>District,<br>Riyadh,<br>2508-<br>14233 | Fair | 21/01/144<br>2H<br>(correspo<br>nding to<br>09/09/20<br>20G) | Three<br>hundred<br>and sixty-<br>five (365)<br>days<br>starting<br>from<br>16/04/144<br>2H<br>(correspo<br>nding to<br>01/12/202<br>0G)  | 05/05/14<br>45 AH<br>(correspo<br>nding to<br>11/19/202<br>3 AD) | The total<br>contract<br>value is<br>seventy<br>thousand<br>(70,000)<br>Saudi<br>riyals  | If both<br>parties<br>wish to<br>renew, a<br>new<br>contract<br>shall be<br>written,<br>agreed<br>upon by<br>both<br>parties. | A<br>contract<br>that is<br>electroni<br>cally<br>certified |
| 5 | Red<br>Sea<br>Marke<br>ts Co<br>Ltd                                      | Develo<br>pment<br>Works<br>Food<br>Compa<br>ny<br>(Joint-<br>stock<br>compa<br>ny) | King<br>Abdulazi<br>z Road,<br>23612,<br>Jeddah,<br>3027,<br>7439,<br>Makkah                       | Shop | 23/05/14<br>43H<br>(correspo<br>nding to<br>27/12/202<br>1G) | One<br>thousand<br>ninety-<br>five<br>(1,095)<br>days<br>starting<br>from<br>17/07/144<br>3H<br>(correspo<br>nding to<br>18/02/202<br>2G) | 18/08/144<br>6H<br>(correspo<br>nding to<br>17/02/202<br>5G)     | The total<br>contract<br>value is<br>one<br>million<br>one<br>hundred<br>and six<br>thousand<br>seven<br>hundred<br>and fifty<br>four<br>(1,106,754<br>) Saudi<br>riyals | If both<br>parties<br>wish to<br>renew, a<br>new<br>contract<br>shall be<br>written,<br>agreed<br>upon by<br>both<br>parties. | A<br>contract<br>that is<br>electroni<br>cally<br>certified |
| 6 | Mohd.<br>Al<br>Johani<br>Est.<br>Gener<br>al                             | Develo<br>pment<br>Works<br>Food<br>Compa<br>ny                                     | 22444,<br>9209,<br>3063  | -    | -  | One<br>thousand<br>eight<br>hundred<br>and fifty<br>(1,850)   | 14/12/144<br>7H<br>(correspo<br>nding to<br>31/05/202<br>6G)     | The total<br>contract<br>value is<br>four<br>hundred<br>and  | If both<br>parties<br>wish to<br>renew, a<br>new<br>contract  | A<br>contract<br>that is<br>electroni<br>cally<br>certified |





|   |  |  |  |      |  |   |  |  |  |   |
|---|--|--|--|------|--|---|--|--|--|---|
|   | Contr<br>acting  | (Joint-<br>stock<br>compa<br>ny)   |  |      |  | days<br>starting<br>from<br>20/10/144<br>2H<br>(correspo<br>nding to<br>01/06/202<br>1G)  |  | thirty-<br>one<br>thousand<br>two<br>hundred<br>and fifty<br>(431,250)<br>Saudi<br>riyals  | shall be<br>written,<br>agreed<br>upon by<br>both<br>parties.  |   |
| 7 | Mazen<br>Abdel<br>Rahm<br>an<br>Misfer<br>Al-<br>Bishr | Develo<br>ment<br>Works<br>Food<br>Compa<br>ny<br>(Joint-<br>stock<br>compa<br>ny) | Prince<br>Ahmed<br>Bin<br>Abdulazi<br>z Road,<br>Laban,<br>Riyadh,<br>0001                             | Shop | 12/05/144<br>1H<br>(correspo<br>nding to<br>07/01/202<br>0G)     | One<br>thousand<br>ninety-<br>five<br>(1,095)<br>days<br>starting<br>from<br>01/04/144<br>2H<br>(correspo<br>nding to<br>16/11/202<br>0G) | 01/05/144<br>5H<br>(correspo<br>nding to<br>15/11/202<br>3)      | The total<br>contract<br>value is<br>five<br>hundred<br>and<br>seventee<br>n<br>thousand<br>five<br>hundred<br>(517,500)<br>Saudi<br>riyals                            | If both<br>parties<br>wish to<br>renew, a<br>new<br>contract<br>shall be<br>written,<br>agreed<br>upon by<br>both<br>parties.  | A<br>contract<br>that is<br>electroni<br>cally<br>certified |
| 8 | Remax<br>Real<br>Estate<br>Comp<br>any                 | Develo<br>ment<br>Works<br>Food<br>Compa<br>ny<br>(Joint-<br>stock<br>compa<br>ny) | 8643,<br>Prince<br>Sultan<br>Street,<br>Al-<br>Hamdan<br>iya<br>District,<br>Jeddah,<br>23623-<br>2273 | Fair | 01/08/144<br>4 AH<br>(correspo<br>nding to<br>02/21/202<br>3 AD) | One (1)<br>year<br>starting<br>on<br>05/27/144<br>4 AH<br>(correspo<br>nding to<br>12/21/202<br>2 AD)                                     | 06/07/14<br>45 AH<br>(correspo<br>nding to<br>12/20/202<br>3 AD) | The total<br>contract<br>value is<br>four<br>hundred<br>and<br>seventy-<br>two<br>thousand<br>one<br>hundred<br>and<br>twenty-<br>five<br>(472,125)<br>Saudi<br>riyals | It is<br>automati<br>cally<br>renewed<br>unless<br>one of<br>the<br>parties<br>notifies<br>the<br>other of<br>its desire<br>to<br>terminat<br>e 60<br>days<br>before | A<br>contract<br>that is<br>electroni<br>cally<br>certified |
| 9 | Harun<br>Abdull<br>ah                                  | Develo<br>ment<br>Works  | 2255,<br>Prince<br>Bandar  | Fair | 16/05/144<br>2H  | Three<br>hundred<br>and sixty-  | 02/29/144<br>6 AH<br>(correspo                                   | The total<br>contract<br>value is  | If both<br>parties<br>wish to  | A<br>contract<br>that is                                    |

## Development Works Food Company

|    |  |  |   |      |  |  |  |  |  |   |
|----|--|--|---|------|--|--|--|--|--|---|
|    | Suleiman Al-Huwairini  | Food Company (Joint-stock company)                   | Bin Abdulaziz Street, Al-Nahda District, Riyadh, 13222-7999 Exhibition    |      | (corresponding to 31/12/2020G)             | five (365) days starting from 15/01/1442H (corresponding to 03/09/2020G)                         | ending to 09/02/2024 AD)                   | one hundred and thirty thousand (130,000) Saudi riyals   | renew, a new contract shall be written, agreed upon by both parties.                         | electronically certified                    |
| 10 | Erad Al mabani Real Estate Company/ represented by Fahd Abdul aziz Abdullah Al-Suwail em | Development Works Food Company (Joint-stock company) | 2540, Prince Muqrin Bin Abdulaziz Street, Al Mughar azat District, Riyadh | Fair | 09/08/1442H (corresponding to 22/03/2021G) | (1095) days starting from 28/07/1443H (01/03/2022G)  | 29/08/1446H (corresponding to 28/02/2025G) | Total contract value (1,008,000) Saudi riyals (annual value (280,000)                                      | If both parties wish to renew, a new contract shall be written, agreed upon by both parties. | A contract that is electronically certified |
| 11 | - Al Amake n Al Faseeha Co. Ltd. is a one person company represented by Ahme             | Development Works Food Company (Joint-stock company) | Prince Sultan Street, Al Shifa District, Khamis Mushayt , 3247            | Shop | 16/08/1442H (corresponding to 29/03/2021G) | One thousand four hundred and sixty-one (1,461) days starting from 01/05/1442H (corresponding to | 14/06/1446H (corresponding to 15/12/2024G) | The total contract value is one million one hundred fifty two thousand four hundred sixty five point sixty | If both parties wish to renew, a new contract shall be written, agreed upon by both parties. | A contract that is electronically certified |

## Development Works Food Company

|    |   |   |  |              |  |   |  |  |   |   |
|----|---|---|--|--------------|--|---|--|--|---|---|
|    | d Ali<br>Ahme<br>d<br>Galale<br>h   |   |  |              |  | 16/12/202<br>0G)  |  | .60)<br>Saudi<br>riyals.   |   |   |
| 12 | Jaralla<br>h<br>Abdull<br>ah<br>Abdul<br>mohsi<br>n Al-<br>Adib<br>and<br>his<br>comp<br>anions<br>are<br>repres<br>ented<br>by<br>Abdull<br>ah<br>Jaralla<br>h<br>Abdull<br>ah Al-<br>Adib | Develo<br>pment<br>Works<br>Food<br>Compa<br>ny<br>(Joint-<br>stock<br>compa<br>ny) | Al<br>Thuma<br>ma<br>Road,<br>Qurtoba<br>h<br>District,<br>Riyadh,<br>7767 | Fair         | 16/05/144<br>2H<br>(correspo<br>nding to<br>31/12/202<br>0G)     | One<br>thousand<br>ninety-<br>five<br>(1,095)<br>days<br>starting<br>from<br>07/05/14<br>42H<br>(correspo<br>nding to<br>22/12/202<br>0G) | 08/06/14<br>45H<br>(correspo<br>nding to<br>21/12/202<br>3G)     | The total<br>contract<br>value is<br>four<br>hundred<br>and fifty<br>thousand<br>(450,000<br>) Saudi<br>riyals | If both<br>parties<br>wish to<br>renew, a<br>new<br>contract<br>shall be<br>written,<br>agreed<br>upon by<br>both<br>parties. | A<br>contract<br>that is<br>electroni<br>cally<br>certified |
| 13 | Basma<br>t Al<br>Khair<br>Intern<br>ationa<br>l<br>Comp<br>any<br>(one  | Develo<br>pment<br>Works<br>Food<br>Compa<br>ny                                     | Dirab<br>road,<br>14964,<br>Riyadh<br>4599                                 | Buildin<br>g | 07/21/144<br>4 AH<br>(correspo<br>nding to<br>02/12/202<br>3 AD) | 1 year<br>starting<br>from<br>date<br>07/01/144<br>4 AH<br>(correspo<br>nding to<br>01/23/202<br>3 AD)                                    | 07/10/144<br>5 AH<br>(correspo<br>nding to<br>01/22/202<br>4 AD) | The<br>annual<br>rent<br>value is<br>(200,000)<br>Saudi<br>riyals,<br>and the<br>total<br>contract             | The<br>lease<br>term<br>shall<br>expire<br>with the<br>expiry of<br>the<br>contract<br>term. If                               | A<br>contract<br>that is<br>electroni<br>cally<br>certified |



## Development Works Food Company

|    |   |   |   |      |  |  |  |  |  |   |
|----|---|---|---|------|--|--|--|--|--|---|
|    | person<br>company)                            |   |   |      |  |  |  | value is<br>two<br>hundred<br>and<br>thirty-six<br>thousand<br>six<br>hundred<br>and<br>thirteen<br>(236,613)<br>Saudi<br>riyals           | the both<br>parties<br>wish to<br>renew, a<br>new<br>contract<br>shall be<br>written,<br>agreed<br>upon by<br>both<br>parties. |   |
| 14 | Saleh<br>Farha<br>Moaid<br>Al-<br>Zahra<br>ni | Develo<br>pment<br>Works<br>Food<br>Compa<br>ny<br>(Joint-<br>stock<br>compa<br>ny) | Abu<br>Firas Al<br>Hamada<br>ni<br>Street,<br>Al-<br>Hamdan<br>iya<br>District,<br>Jeddah,<br>23761-<br>3132,<br>6231 | Shop | 03/22/144<br>4 AH<br>(correspo<br>nding to<br>10/18/202<br>2 AD) | Three<br>hundred<br>and sixty-<br>five (365)<br>days<br>starting<br>on<br>03/22/144<br>4 AH<br>(correspo<br>nding to<br>10/18/202<br>2 AD) | 04/02/14<br>45 AH<br>(correspo<br>nding to<br>10/17/202<br>3 AD) | The total<br>contract<br>value is<br>two<br>hundred<br>and<br>seventy<br>one<br>thousand<br>two<br>hundred<br>(271,200)<br>Saudi<br>riyals | If both<br>parties<br>wish to<br>renew, a<br>new<br>contract<br>shall be<br>written,<br>agreed<br>upon by<br>both<br>parties.  | A<br>contract<br>that is<br>electroni<br>cally<br>certified(<br>The<br>contract<br>is valid as<br>long as<br>the<br>renewal<br>is made<br>upon<br>payment<br>of the<br>rent<br>amoun) |



|    |   |  |   |      |  |  |  |   |  |  |
|----|---|--|---|------|--|--|--|---|--|--|
| 15 | Ishraqiyah Regional Real Estate Development and Investment Company One Person Company | Development Works Food Company (Joint-stock company) | Hussain Ibn Ali Street, 12385, Riyadh, 7061, 2667, Riyadh                   | Fair | 06/04/1443H (corresponding to 11/11/2021G)     | One thousand ninety-five (1,095) days starting from 17/03/1443H (corresponding to 23/10/2021G)     | 19/04/1446H (corresponding to 22/10/2024G)     | The total contract value is two hundred and sixty-four thousand nine hundred and sixty (264,960) Saudi riyals | The lease term shall automatically renewed for a similar period unless one of the parties notifies the other party of its desire to terminate the contract (30 days) before the end of the lease term. | A contract that is electronically certified  |
| 16 | Saleh Ali Mohammed Al-Qarni   | Development Works Food Company (Joint-stock company) | Thabit Bin Moaz Al Ansari Street, Taibah District, Jeddah, 23831-7929, 3467 | Shop | 09/09/1443 AH (corresponding to 04/10/2022 AD) | Three hundred and sixty-five (365) days starting on 09/30/1443 AH (corresponding to 05/01/2022 AD) | 10/10/1444 AH (corresponding to 04/30/2023 AD) | The total contract value is one hundred and ninety-nine thousand five hundred (199,500)                       | If both parties wish to renew, a new contract shall be written, agreed upon by both parties.   | A contract that is electronically certified (The contract is valid as long as the renewal is made) |



|    |   |   |   |       |  |   |  | Saudi<br>riyals  |   | upon<br>payment<br>of the<br>rent<br>amount)                |
|----|---|---|---|-------|--|---|--|--|---|---|
| 17 | Intern<br>ationa<br>l Real<br>Estate<br>Invest<br>ment<br>Comp<br>any | Develo<br>pment<br>Works<br>Food<br>Compa<br>ny<br>(Joint-<br>stock<br>compa<br>ny) | North<br>Ring<br>Road,<br>13511,<br>Riyadh,<br>6332,<br>2886,<br>Riyadh | Booth | 11/11/144<br>4 AH<br>(correspo<br>nding to<br>05/31/202<br>3 AD) | Three<br>hundred<br>and sixty-<br>four<br>(364)<br>days<br>starting<br>on<br>11/12/144<br>4 AH<br>(correspo<br>nding to<br>06/01/202<br>3 AD) | 11/23/144<br>5 AH<br>(correspo<br>nding to<br>05/31/202<br>4 AD) | The total<br>contract<br>value is<br>three<br>hundred<br>and<br>ninety-<br>one<br>thousand<br>(391,000)<br>Saudi<br>riyals | The<br>lease<br>term<br>shall<br>automati<br>cally<br>renewed<br>for a<br>similar<br>period<br>unless<br>one of<br>the<br>parties<br>notifies<br>the<br>other<br>party of<br>its desire<br>to<br>terminat<br>e the<br>contract<br>(30<br>days)<br>before<br>the end<br>of the<br>lease<br>term. | A<br>contract<br>that is<br>electroni<br>cally<br>certified |
| 18 | Saud<br>Abdull<br>ah<br>Saud<br>bin<br>Talib                          | Develo<br>pment<br>Works<br>Food<br>Compa<br>ny<br>(Joint-<br>stock                 | King<br>Fahd<br>Road, Al<br>Sahafa<br>District,<br>Riyadh,<br>13315-    | Fair  | 01/12/144<br>4 AH<br>(correspo<br>nding to<br>06/19/202<br>3 AD) | Seven<br>hundred<br>and thirty<br>(730)<br>days<br>starting<br>from<br>08/06/14   | 08/26/14<br>46 AH<br>(correspo<br>nding to<br>02/25/20<br>25 AD) | The total<br>contract<br>value is<br>five<br>hundred<br>and<br>ninety-<br>five   | If both<br>parties<br>wish to<br>renew, a<br>new<br>contract<br>shall be<br>written,  | A<br>contract<br>that is<br>electroni<br>cally<br>certified |



|    |   |   |   |      |  |   |  |  |   |   |
|----|---|---|---|------|--|---|--|--|---|---|
|    |   | compa<br>ny)  | 2205,<br>7521   |      |  | 44 AH<br>(correspo<br>nding to<br>02/26/20<br>23 AD)  |  | thousand<br>(595,000)<br>Saudi<br>riyals   | agreed<br>upon by<br>both<br>parties.   |   |
| 19 | Areen<br>Alnkhb<br>ah for<br>Real<br>Estate<br>Develop<br>ment<br>Co.<br>Ltd. | Develo<br>pment<br>Works<br>Food<br>Compa<br>ny<br>(Joint-<br>stock<br>compa<br>ny) | Riyadh,<br>12283,<br>Tumair,<br>3343,<br>7484   | Fair | 05/25/14<br>44 AH<br>(correspo<br>nding to<br>12/19/202<br>2 AD) | Three<br>hundred<br>and sixty-<br>four<br>(364)<br>days<br>starting<br>on<br>02/26/144<br>4 AH<br>(correspo<br>nding to<br>09/22/20<br>22 AD) | 03/06/14<br>45 AH<br>(correspo<br>nding to<br>09/21/202<br>3 AD) | The total<br>contract<br>value is<br>two<br>hundred<br>and<br>twenty<br>seven<br>thousand<br>seven<br>hundred<br>(227,700)<br>Saudi<br>riyals  | If both<br>parties<br>wish to<br>renew, a<br>new<br>contract<br>shall be<br>written,<br>agreed<br>upon by<br>both<br>parties. | A<br>contract<br>that is<br>electroni<br>cally<br>certified |
| 20 | Muha<br>mmad<br>Al-<br>Khalid<br>Muha<br>mmad<br>Ali<br>Ayoub                 | Develo<br>pment<br>Works<br>Food<br>Compa<br>ny<br>(Joint-<br>stock<br>compa<br>ny) | Salah Al-<br>Din<br>Street,<br>12629,<br>Riyadh,<br>4380,<br>7350,<br>Riyadh                          | Shop | 20/06/14<br>43H<br>(correspo<br>nding to<br>23/01/202<br>2G)     | One<br>thousand<br>ninety-<br>five<br>(1,095)<br>days<br>starting<br>from<br>28/05/14<br>43H<br>(correspo<br>nding to<br>01/01/202<br>2G)     | 30/06/14<br>46H<br>(correspo<br>nding to<br>31/12/202<br>4G)     | The total<br>contract<br>value is<br>seven<br>hundred<br>and<br>twenty-<br>four<br>thousand<br>five<br>hundred<br>(724,500)<br>Saudi<br>riyals | If both<br>parties<br>wish to<br>renew, a<br>new<br>contract<br>shall be<br>written,<br>agreed<br>upon by<br>both<br>parties. | A<br>contract<br>that is<br>electroni<br>cally<br>certified |
| 21 | Abdul<br>Aziz<br>Abdul<br>Rahm<br>an<br>Muha<br>mmad<br>Al-<br>Aqeel          | Develo<br>pment<br>Works<br>Food<br>Compa<br>ny<br>(Joint-<br>stock<br>compa<br>ny) | Intersec<br>tion of<br>King<br>Abdulazi<br>z Road<br>with<br>Anas Ibn<br>Malik<br>Road, Al<br>Sahafa, | Fair | 10/18/144<br>4 AH<br>(correspo<br>nding to<br>05/08/20<br>23 AD) | 5 years<br>starting<br>from<br>07/25/144<br>4 AH<br>(correspo<br>nding to<br>02/16/202<br>3 AD)   | 09/19/144<br>9 AH<br>(correspo<br>nding to<br>02/15/202<br>8 AD) | The total<br>contract<br>value is<br>one<br>million<br>four<br>hundred<br>and<br>seventy-<br>eight   | If both<br>parties<br>wish to<br>renew, a<br>new<br>contract<br>shall be<br>written,<br>agreed<br>upon by                     | A<br>contract<br>that is<br>electroni<br>cally<br>certified |



|    |   |   |  |                                    |   |   |   |   |   |   |
|----|---|---|--|------------------------------------|---|---|---|---|---|---|
|    |   |   | Riyadh,<br>1111  |                                    |   |   |   | thousand<br>and nine<br>hundred<br>(1,478,90<br>0) Saudi<br>riyals  | both<br>parties.  |   |
| 22 | Salma<br>Abdel<br>Rahm<br>an<br>Mohamed<br>Al<br>Attas  | Development<br>Works<br>Food<br>Company<br>(Joint-<br>stock<br>company) | Qutbah<br>Bin<br>Malik<br>Street,<br>22441,<br>Jeddah,<br>Makkah,<br>6956,<br>2600 | Apartment<br>and<br>three<br>Fairs | 18/12/144<br>2H<br>(corresponding<br>to<br>28/07/202<br>1G) | One<br>thousand<br>eight<br>hundred<br>and<br>twenty-<br>five<br>(1,825)<br>days<br>starting<br>from<br>01/03/144<br>3H<br>(corresponding<br>to<br>07/10/202<br>1G) | 25/04/14<br>48H<br>(corresponding<br>to<br>06/10/202<br>6G) | The total<br>contract<br>value is<br>one<br>million<br>four<br>hundred<br>thousand<br>(1,400,00<br>0) Saudi<br>riyals   | If both<br>parties<br>wish to<br>renew, a<br>new<br>contract<br>shall be<br>written,<br>agreed<br>upon by<br>both<br>parties. | A<br>contract<br>that is<br>electronically<br>certified |
| 23 | Abdul<br>Elah<br>Saad<br>Abdul-<br>Aziz<br>bin<br>Saeed | Development<br>Works<br>Food<br>Company<br>(Joint-<br>stock<br>company) | 4973,<br>5423-<br>12391  | Shop                               | 08/12/144<br>1H<br>(corresponding<br>to<br>29/07/202<br>0G) | One<br>thousand<br>eight<br>hundred<br>and<br>twenty-<br>six (1,826)<br>days<br>starting<br>from<br>12/11/1441<br>H<br>(corresponding<br>to<br>01/08/20<br>20G)     | 06/02/14<br>47H<br>(corresponding<br>to<br>31/07/202<br>5G) | The total<br>contract<br>value is<br>one<br>million<br>one<br>hundred<br>and fifty<br>thousand<br>and one<br>point<br>fifteen<br>(1,150,001<br>.15) Saudi<br>riyals | If both<br>parties<br>wish to<br>renew, a<br>new<br>contract<br>shall be<br>written,<br>agreed<br>upon by<br>both<br>parties. | A<br>contract<br>that is<br>electronically<br>certified |



## Development Works Food Company

|    |  |  |  |                |  |   |  |  |  |   |
|----|--|--|--|----------------|--|---|--|--|--|---|
| 24 | Abdullah Muhammad Al-Saleh Al-Matroudi   | Development Works Food Company (Joint-stock company) | Riyadh, 13243, 7850, 2227  | Apartment/Shop | 01/02/1443H (corresponding to 08/09/2021G)     | One thousand five hundred and ninety-four (1,594) days starting from 01/04/1443H (corresponding to 06/11/2021G) | 30/09/1447H (corresponding to 19/03/2026G)     | The total contract value is two million two hundred thirty thousand and sixteen (2,230,016) Saudi riyals | If both parties wish to renew, a new contract shall be written, agreed upon by both parties. | A contract that is electronically certified |
| 25 | Salem Abdul-Aziz Ali Al-Hareish and his companions who are represented by Abdul-Mohsen Abdul-Aziz Ali Al-Hareish | Development Works Food Company (Joint-stock company) | Imam Abdullah Ibn Saud Ibn Abdulaziz Road, 6700, 4188, 12486, Riyadh | Fair           | 04/30/1444 AH (corresponding to 11/24/2022 AD) | Three hundred and sixty-four (364) days starting from 03/11/1444 AH (corresponding to 10/07/2022 AD)            | 03/21/1445 AH (corresponding to 10/06/2023 AD) | The total contract value is ninety-three thousand (93,000) Saudi riyals                                  | If both parties wish to renew, a new contract shall be written, agreed upon by both parties. | A contract that is electronically certified |
| 26 | Ali Fawzan Muhammad  | Development Works Food                               | Al-Ansar Street, Al-Mashaal  | Storehouse     | 06/12/1443H (corresponding to 06/12/2022 AD)   | Three hundred and sixty-four  | 11/17/1445 AH (corresponding to 11/17/2023 AD) | (423,699) Saudi riyals   | If both parties wish to renew, a   | A contract that is electronic               |



|    |  |  |  |                      |  |  |  |  |  |   |
|----|--|--|--|----------------------|--|--|--|--|--|---|
|    | mmad Al-Fawzan   | Company (Joint-stock company)                        | District, Riyadh, 14328-3004, 7500                                   |                      | 05/07/2022G)                               | (364) days starting from 06/11/1444 AH (corresponding to 05/26/2023 AD)  | 05/25/2024 AD)                             |  | new contract shall be written, agreed upon by both parties.                                  | cally certified                             |
| 27 | Ibrahim bin Muhammad bin Ibrahim Al Qaoud                                    | Development Works Food Company (Joint-stock company) | Anas Ibn Malik Road, 13525, 7768, 5866, Riyadh                       | Fair                 | 27/06/1443H (corresponding to 30/01/2022G) | One thousand nine hundred and forty-nine (1,949) days starting from 04/11/1442H (corresponding to 14/06/2021G) | 04/05/1448H (corresponding to 15/10/2026G) | The total contract value is two million nine hundred and thirty-six thousand three hundred and forty-seven (2,936,347) Saudi riyals. | If both parties wish to renew, a new contract shall be written, agreed upon by both parties. | A contract that is electronically certified |
| 28 | Mahra Mushabab Contracting Est represented by Misfer Muhammad Ali Al-Qahtani | Development Works Food Company (Joint-stock company) | Al-Madina h Al-Munawarah Street, 00000, Khamis Mushayt , 8161, Assir | Shopping mall (Mall) | 21/08/1443H (corresponding to 24/03/2022G) | Seven hundred and ninety-five (795) days starting from 15/04/1443H (corresponding to 20/11/2021G)              | 12/07/1445H (corresponding to 24/01/2024G) | The total contract value is five hundred and one thousand four hundred and seventy-five (501,475) Saudi riyals                       | If both parties wish to renew, a new contract shall be written, agreed upon by both parties. | A contract that is electronically certified |

## Development Works Food Company

|    |                                      |                                |  |                         |  |  |  |  |  |   |
|----|--------------------------------------|--------------------------------|--|-------------------------|--|--|--|--|--|---|
| 29 | Mrs. Faten bint Abdullah Bakr Tounsi | Development Works Food Company | North Obhur - Aber Al Qarat Street - Balubaid Scheme | Building                | 11/08/1443H (corresponding to 14/03/2022G)     | Five (5) years (1825) days, starting from 21/09/1444H (corresponding to 22/04/2022G) | 14/11/1448H (corresponding to 21/04/2027G)     | The annual rent value is (467,900) Saudi riyals. The total rent value for the entire period is (2,690,425) Saudi riyals. | The lease term shall expire with the expiry of the contract term. If the both parties wish to renew, a new contract shall be written, agreed upon by both parties. | A contract that is electronically certified |
| 30 | Al Hatab Bakery Company              | Development Works Food Company | Al Hassan Bin Ali Street - 13213 Riyadh              | Open Commercial Complex | 07/21/1444 AH (corresponding to 02/12/2023 AD) | (729) days starting from 09/08/1444 AH (corresponding to 03/30/2023 AD)              | 09/19/1445 AH (corresponding to 03/29/2024 AD) | One hundred and forty-three thousand seven hundred and fifty (143,750) Saudi riyals                                      | The lease term shall expire with the expiry of the contract term. If the both parties wish to renew, a new contract shall be written, agreed upon by               | A contract that is electronically certified |



|    |                                      |                                |  |                       |  |   |  |  |  |   |
|----|--------------------------------------|--------------------------------|--|-----------------------|--|---|--|--|--|---|
|    |                                      |                                |  |                       |  |   |  |  | both parties.  |   |
| 31 | Falcon Commercial Investment Company | Development Works Food Company | Ibn Taymiyah Street, 14713, Riyadh, 3756, 6114<br><br>Riyadh | Fair                  | -  | (1,095) days starting from 09/11/1443H (corresponding to 08/06/2022G) | 11/12/1446H (corresponding to 07/06/2025G) | Nine hundred and sixty-six thousand (966,000) Saudi riyals   | The lease term shall expire with the expiry of the contract term. If the both parties wish to renew, a new contract shall be written, agreed upon by both parties. | A contract that is electronically certified |
| 32 | AIMeswak Dental Clinics              | Development Works Food Company | King Fahd District - Imam Saud bin Abdulaziz Road - Riyadh   | Building - Commercial | 04/05/1438H (corresponding to 01/02/2017G) | 730 days starting from 20/03/2022G                                    | 09/09/1445H corresponding to 19/03/2024G)  | The annual value is two hundred and thirty thousand (230,000) Saudi riyals (total value of the contract 529,000) Saudi riyals. | The lease term shall expire with the expiry of the contract term. If the both parties wish to renew, a new contract shall be                                       | A contract that is electronically certified |



|    |                                     |  |   |  |  |   |  |   |  |   |
|----|-------------------------------------|--|---|--|--|---|--|---|--|---|
|    |                                     |  |   |  |  |   |  |   | written, agreed upon by both parties   |   |
| 33 | Jumana Medical Company Ltd.         | Development Works Food Company           | Western Ring Road in Plan No. (298) Plot No. (109)                | Exit on the right side of the building | 03/07/1442H (corresponding to 15/02/2021G)     | Three (3) Hijri years   | 04/08/1445H (corresponding to 14/02/2024H)     | One hundred thousand (100,000) Saudi riyals annually  |  | A contract that is electronically certified |
| 34 | Dhafir Shathan Ali Al-Qahtani       | Qoot for developing food and restaurants | Ishbiliyah District, along Imam Saud Street to the east of Riyadh | Commercial building                    | -  | 1 year starting from 01/14/1445 AH (corresponding to 01/08/2023 AD)                   | 01/25/1446 AH Corresponding to 07/31/2024 AD)  | Four hundred and sixty thousand (460,000) Saudi riyals  | -  | A contract that is electronically certified |
| 35 | Mr. Tariq Salem Mushabab Al-Qahtani | Development Works Food Company           | Khamis Mushayt City, Al-Madinah Al-Munawarah Street               | Trade fair                             | 09/19/1444 AH (corresponding to 04/10/2023 AD) | Three (3) years starting from the date 09/10/1444 AH (corresponding to 04/01/2023 AD) | 10/12/1447 AH (corresponding to 03/31/2026 AD) | One hundred eighty-four and five hundred (184,500) Saudi riyals annually, paid in two installments every six months of each year. | The contract shall be renewed with a new contract unless one of the parties wishes otherwise | A contract that is electronically certified |

## Development Works Food Company

|    |   |                                |  |                                |   |   |   |  |  |   |
|----|---|--------------------------------|--|--------------------------------|---|---|---|--|--|---|
| 36 | Mr. Saleh Ibrahim Mohammed Al-Habdan          | Development Works Food Company | Riyadh - Omar Bin Abdulaziz Road, Exit | Commercial and office building | 06/23/1444 AH<br>(corresponding to 01/16/2023 AD) | (2) Two years starting from 01/27/1444 AH (corresponding to 08/25/2022 AD)            | 02/20/1446 AH<br>(corresponding to 08/24/2024 AD) | Two hundred thousand (200,000) Saudi riyals annually, paid in two installments                     | The lease term shall not be renewed for other periods without the first party's written consent.                                     | A contract that is electronically certified |
| 37 | Mr. Abdul Rahman bin Abdullah bin Ali Al-Issa | Development Works Food Company | As Sulay District                      | Building                       | 09/04/1440H<br>(corresponding to 16/12/2018G)     | Ten (10) years starting from 01/10/1440H (corresponding to 01/06/2019G)               | 07/01/1450H<br>(corresponding to 31/05/2028H)     | Four hundred and fifty thousand (450,000) Saudi riyals in two equal installments every six months. | The contract shall be automatically renewed unless the parties notify each other otherwise in writing at least (60) days in advance. | A contract that is electronically certified |
| 38 | Mr. Hashb el Abdullah bin Hashb el            | Development Works Food Company | Riyadh Street - Khamis Mushayt         | Fairs                          | 01/09/1445 AH<br>(corresponding to 07/27/2023 AD) | Three (3) years starting from the date 01/08/1445 AH (corresponding to 07/28/2023 AD) | 12/14/1447 AH<br>(corresponding to 05/31/2026 AD) | One hundred and fifty thousand (150,000) Saudi riyals in one installment                           | -  | A contract that is electronically certified |



|    |  |                                |   |      |  |  |   |  |  |   |
|----|--|--------------------------------|---|------|--|--|---|--|--|---|
| 39 | Nayef Abdul Rahman Qassem Al-Adani Trading Establishment | Development Works Food Company | Hira Street in Al Marwah district, east of Prince Mutaib bin Abdulaziz Road in Jeddah | Fair | 08/15/1444 AH (corresponding to 03/07/2023 AD) | One (1) year starting from the date 07/10/1444 AH (corresponding to 02/01/2023 AD) | 07/19/1445 AH Corresponding to 01/31/2024 AD) | One hundred and ninety thousand (190,000) Saudi Riyals annually, to be paid in two installments every six months | The contract shall be automatically renewed for a similar term or periods, unless one of the parties notifies the other party of its desire not to renew, at least three months before the expiry of the renewed period, by written notice delivered to the other party at its address shown in the contract | A contract that is electronically certified |
|----|--|--------------------------------|---|------|--|--|---|--|--|---|



|    |  |   |   |                 |  |  |  |  |  |   |
|----|--|---|---|-----------------|--|--|--|--|--|---|
| 40 | Zaway<br>a Real<br>Estate<br>Comp<br>any | Develo<br>pment<br>Works<br>Food<br>Compa<br>ny | Al Burj<br>District,<br>Al-Kharj<br>Governor<br>ate -<br>King<br>Abdulazi<br>z Road | Fair<br>No. (4) | 06/22/144<br>4 AH<br>(correspo<br>nding to<br>01/15/202<br>3 AD) | Five (5)<br>Hijri<br>years<br>starting<br>from<br>05/01/144<br>4 AH<br>(correspo<br>nding to<br>11/25/202<br>2 AD) | 05/10/144<br>5 AH<br>(correspo<br>nding to<br>11/24/202<br>3 AD) | A total<br>value of<br>two<br>hundred<br>and<br>fifteen<br>thousand<br>seven<br>hundred<br>and fifty-<br>five<br>(215,755)<br>Saudi<br>riyals. | The<br>term<br>shall be<br>automati<br>cally<br>renewed<br>for a<br>similar<br>period<br>and the<br>parties'<br>shall<br>abide by<br>all the<br>terms<br>and<br>obligatio<br>ns of this<br>contract<br>unless<br>one of<br>the<br>parties<br>wishes<br>not to<br>renew<br>the<br>contract,<br>and that<br>is by<br>notifying<br>the<br>other<br>party by<br>an<br>official<br>written<br>letter at<br>least<br>thirty<br>days<br>before<br>the | A<br>contract<br>that is<br>electroni<br>cally<br>certified |
|----|--|---|---|-----------------|--|--|--|--|--|---|





|    |                                       |  |                                   |                              |   |  |   |   | expiry of the contract  |   |
|----|---------------------------------------|--|-----------------------------------|------------------------------|---|--|---|---|---|---|
| 41 | Mr. Abdullah Hussein Al-Qahtani       | Restaurant of Development Works Food Company | Taibah Street                     | Complete commercial building | 04/08/1444 AH<br>(corresponding to 02/11/2022 AD) | One (1) year starting from 03/12/1445 AH<br>(corresponding to 09/27/2023 AD) | 03/24/1446 AH<br>(corresponding to 09/27/2024 AD) | Five hundred thousand (500,000) Saudi riyals  | -   | A contract that is electronically certified |
| 42 | Mr. Abdul Rahman Saad Hamad Al Muqrin | Development Works Food Company               | Dammam Road - Al Yarmouk District | Building consists of shops   | 03/03/1437H<br>(corresponding to 14/12/2015G)     | Ten (10) years starting from 01/06/1437H<br>(corresponding to 10/03/2016G)   | 30/05/1447H<br>(corresponding to 21/11/2025G)     | Six hundred thousand (600,000) Saudi riyals for the first five (5) years<br>Six hundred and fifty thousand (650,000) Saudi riyals for the last five (5) years | If one of the parties wishes not to renew the contract, he shall notify the other party in writing at least one month before the expiry of the contract term; otherwise, the contract shall be considered | A contract that is electronically certified |



## Development Works Food Company

|    |   |                                |  |                             |  |  |   |  |  |   |
|----|---|--------------------------------|--|-----------------------------|--|--|---|--|--|---|
|    |   |                                |  |                             |  |  |   |  | renewed for a new year.  |   |
| 43 | Mr. Saad bin Saeed Mohammed Al Hazal Al-Qahtani | Development Works Food Company | King Khaled Road                                 | Building                    | 27/03/1440H (corresponding to 05/12/2018G)     | Five (5) Gregorian years starting after (60) days from the date of the building handover     | 20/04/1445H (corresponding to 04/12/2023G)    | One hundred and sixty thousand (160,000) Saudi Riyals annually, to be paid in two equal installments every six months in advance, except for the first year of the contract. | The term shall be automatically renewed unless the two parties notify each other in writing at least (60) days in advance. | A contract that is electronically certified |
| 44 | AlAndalus Property Company                      | Development Works Food Company | Prince Majed Road - Al-Fayhaa District in Jeddah | Office in Al Andalus Center | 08/15/1444 AH (corresponding to 03/07/2023 AD) | One (1) Gregorian year starting from the date 08/09/1444 AH (corresponding to 03/01/2023 AD) | 08/19/1445 AH Corresponding to 02/29/2024 AD) | One hundred and forty thousand (140,000) Saudi Riyals annually   | This contract shall not be renewed except by written agreement between the two parties, otherwise the contract shall be    | A contract that is electronically certified |



|    |                                     |                                |                                  |                                  |  |                  |   |                            |   |   |
|----|-------------------------------------|--------------------------------|----------------------------------|----------------------------------|--|------------------|---|----------------------------|---|---|
|    |                                     |                                |                                  |                                  |  |                  |   |                            | legally and automatically terminated as soon as its term expires. |   |
| 45 | Saad Muhammad Abdulaziz Al-Issa     | Development Works Food Company | Nasser bin Farhan - Exit 5       | Shop No. 01                      | 04/19/1443 AH<br>(corresponding to 11/24/2021 AD)    | 4 years AD       | 07/22/1448 AH<br>(corresponding to 12/31/2026 AD) | 269,292 riyals             | -   | A contract that is electronically certified |
| 46 | Kantara Property Management Company | Development Works Food Company | Makkah Al-Mukarramah Branch Road | Fair No. 02 - Commercial Complex | 02/01/1445 AH<br>(corresponding to 08/17/2023 AD)    | 1 Gregorian year | 10/21/1445 AH<br>(corresponding to 04/30/2024 AD) | 49,450 riyals annually     | -   | A contract that is electronically certified |
| 47 | Khaled Yazid Muhammad Al-Daghaither | Development Works Food Company | Mecca Road - Olaya District      | Fair                             | 02/07/10/1442 AH<br>(corresponding to 02/22/2021 AD) | 1 calendar year  | 04/10/1443 AH<br>(corresponding to 11/15/2021 AD) | 172,672.50 riyals annually | It is automatically renewed upon payment                          | A contract that is electronically certified |
| 48 | Tanami Real Estate Company          | Development Works Food Company | Othman Bin Affan Branch Road     | Fair                             | 07/06/12/1444 AH<br>(corresponding to 01/05/2023 AD) | 1 calendar year  | 02/11/1445 AH<br>(corresponding to 08/27/2023 AD) | 69,000 riyals annually     | It is automatically renewed upon payment                          | A contract that is electronically certified |

## Development Works Food Company

|    |   |                                |                          |              |   |   |   |   |   |   |
|----|---|--------------------------------|--------------------------|--------------|---|---|---|---|---|---|
| 49 | Mr. Abdul Rahman bin Ali bin Hathlo ul Al-Hathlo ul | Development Works Food Company | An Narjis District       | Fair (No. 3) | 01/12/1444 H (corresponding to 19/06/2023 G)  | one (1) Gregorian years from 01/12/1444 H (corresponding to 19/06/2023 G) | 12/12/1445 H (corresponding to 18/06/2024 G)  | - One hundred and forty thousand (140,000) Saudi riyals annually.<br>- A percentage (10%) of the annual rental value is paid for service and water fees | The contract shall be renewed for another year by agreement of both parties. If one of the parties does not wish to renew the contract, such party shall inform the other party a month before the expiry of the contractual period for which the rent is paid. | A contract that is electronically certified |
| 50 | Hussein Nasser Mezher Al Mezher                     | Development Works Food Company | Al Nahda - Prince Bandar | Shop No. 01  | 02/27/1445 AH (corresponding to 09/12/2023 G) | 1 calendar year from 03/30/1445 AH (corresponding to 10/15/2023 G)        | 04/11/1446 AH (corresponding to 10/14/2024 G) | 35,500 riyals annually  | The lease term ends with the end of the contract term   | A contract that is electronically certified |
| 51 | Saudi Tourism Development Company                   | Development Works Food Company | Abu Bakr Al Siddiq Road  | Fair (No. 7) | 02/01/1445 AH (corresponding to 08/17/2023 G) | 1 calendar year from 03/06/1446 AH (corresponding to 09/21/2023 G)        | 03/17/1446 AH (corresponding to 09/20/2024 G) | 145,476 riyals annually   | The lease term ends with the end of the contract term   | A contract that is electronically certified |

Source: Company

## Development Works Food Company

The legal entities with whom the company deals as a tenant do not have any direct or indirect relation with the members of the Board of Directors. It is worth noting that Cabinet Resolution No. (292), issued on 16/05/1438H, states that the lease contract which is not registered in the electronic network shall not be considered a valid contract that is legally, administratively and judicially effective, and since the electronic network for rental services “Ejar” was launched by both Ministry of Justice and Ministry of Housing on 17/05/1439H. The Ministry of Justice issued a circular approving the application of this to all contracts concluded after 05/05/1440H. As of the date of publishing this prospectus, (4) lease contracts were not registered according to the requirements of the circular of His Excellency the Minister of Justice, and the landlords were contacted in order to certify the contracts, noting that the delay was caused by the landlords and not the company.

### 10.12.3 Loans and Credit Facilities

The company has a number of loans and credit facility agreement in order to support its business and projects, as the following description:

Table No. (69): Loans and Credit Facilities.

| Financing Entity | Agreement Date | Credit Limit (riyal) | Amount Used | Amount Reimbursed | Payment Schedule | Balance as in 31/12/2021G |
|------------------|----------------|----------------------|-------------|-------------------|------------------|---------------------------|
| Al Rajhi Bank    | 14/08/2016G    | 8,738,791            | 8,738,791   | 6,117,153.77      | 15/02/2023G      | 2,621,637.23              |
| Al Rajhi Bank    | 16/07/2017G    | 11,095,903           | 11,095,903  | 6,134,586.85      | 17/08/2023G      | 4,961,316.15              |
| Al Rajhi Bank    | 15/11/2018G    | 16,359,046           | 16,359,046  | 3,176,116.91      | 11/11/2025G      | 13,182,929.09             |
| Al Rajhi Bank    | 13/05/2019G    | 4,865,619            | 48,655,619  | 268,128.69        | 09/11/2025G      | 4,597,490.31              |
| Al Rajhi Bank    | 31/03/2020G    | 3,531,326            | 3,531,326   | 80,866.8          | 09/11/2025G      | 3,450,459.2               |

Source: The Company

The company also obtained several short-term murabaha that complies with the Sharia for Al Rajhi Bank and Emirates NBD, and it is the following:

Table No. (70): Short Term Credit Facilities

| Financing Entity | Agreement Date | Credit Limit (riyal) | Amount Used  | Amount Reimbursed | Payment Schedule | Balance as in 31/12/2021G | Notes |
|------------------|----------------|----------------------|--------------|-------------------|------------------|---------------------------|-------|
| Al Rajhi Bank    | 21/01/2021G    | 3,000,000            | 2,875,396    | 0                 | 06/06/2022G      | 2,875,396.40              | -     |
| Emirates NBD     | 06/10/2020G    | 10,000,000           | 1,678,478.56 | 1,678,478.56      | Paid             | 0.00                      | Paid  |

Source: The Company

## Development Works Food Company

Table No. (71): Agreements between the company and Al Rajhi Bank

| Financing Entity | Agreement Date                                | Expiration date of provision of facilities   | Credit Limit (riyal)                  | Amount Used | Amount Reimbursed | Payment Schedule  | Notes  |
|------------------|---|--|---------------------------------------|-------------|-------------------|---|--|
| Al Rajhi Bank    | 11/08/1437H<br>(corresponding to 18/05/2016G) | provision of facilities shall expire after the deadline of 60 months               | Ten million (10,000,000) Saudi riyals | 8,738,791   | 6,117,153.77      | Specified in accordance with the Schedule attached to the Agreement and Appendix No. (A). | term of the agreement (60) months<br>This facility shall be used for the purpose of the expansion through opening (10) new branches of the restaurants groups that owned by the company                                |
| Al Rajhi Bank    | 11/09/1438H<br>(corresponding to 06/06/2017G) | provision of facilities shall expire after the deadline of forty eight (48) months | Ten million (10,000,000) Saudi riyals | 11,095,903  | 6,134,586.85      | Specified in accordance with the Schedule attached to the Agreement and Appendix No. (A). | term of the agreement (48) months<br>This facility shall be used for the purpose of the expansion through opening new branches for the company's business in return for invoices transferred directly to the supplier. |

## Development Works Food Company

|               |  |  |  |            |              |   |                                   |
|---------------|--|--|--|------------|--------------|---|-----------------------------------|
| Al Rajhi Bank | 13/11/1439H<br>(corresponding to<br>26/07/2018G) | provision of facilities shall expire after the deadline of 60 months | Thirteen million (13,000,000) Saudi riyals | 16,359,046 | 3,176,116.91 | Half-yearly installment shall be paid after a grace period of (12) month. | term of the agreement (60) months |
|---------------|--|--|--|------------|--------------|---|-----------------------------------|

Source: The Company

- **Most important financial and operational undertakes and guarantees provided by the company in favor of financing entity under the agreement include the following:**
  - The bank shall be enabled to receive the outstanding amounts under the Clause (2) of the Article (2) of the Agreement.
  - The bank shall be enabled to receive the guarantees that the company shall undertake to provide as a term to use for using of continuing the facilities.
  - The bank shall be provided, within a period not exceeding (in any case) (90) days after each financial year, with a copy of the audited financial statements of the establishment for the relevant financial year approved by an independent auditor.
  - The bank shall be enabled to practice its supervision on the project.
  - A promissory note shall be signed to cover all obligations and another promissory note shall be signed for the implementation of each withdrawal.
  - Fined and ensure the rights reserved from the honorees, Mr. Muhammad bin Saad Ashry and Mr. Ashry bin Saad bin Ashry.
  - Procuration for forfeit and payment from Horizon Analytical Services Company.
  - An advance payment of (2.5%) from the price of each credit sale contract shall be paid, but not of the total amount of the facilities, which shall be deducted from its account upon the execution of the contract.
  - A salary agreement with the bank shall be concluded.
  - Points of sale for new branches with a deadline of (60) days for the bank shall be added.
  - Any sale on credit shall be against invoices and transferred directly to suppliers after the approval of the bank.
  - Obligation not to exceed 1.1 times of leverage ratio.
  - Obligation not to exceed 2 times of debt-to-capital ratio.
  - An undertake of not to obtain any financing until obtaining the approval of the bank shall be made.



The acknowledgment of fined and ensure the rights and the promissory note which are signed on 11/08/1437H (corresponding to 18/05/2016G) with regard to the facility agreement signed on 11/08/1437H (corresponding to 18/05/2016G) are reviewed. The acknowledgment of fined and ensure the rights and the promissory note which are signed on 11/09/1438H (corresponding to 06/06/2017G) with regard to the facility agreement signed on 11/08/1437H (corresponding to 18/05/2016G) are reviewed.

The company shall also obligate to acknowledge any change in continuity, legal status, legal form, partners, business, eligibility, capacity or otherwise that shall not in, anyway, affect the continued validity of these agreements unless the bank decides otherwise, and the company shall be obligated to notify the bank as soon as it becomes aware of the inevitability of such change. The company or its private or public successor is also obligated, in the event of such change to occur, to submit the required documents, guarantees or procedures that the bank deems, according to its discretion, sufficient or necessary to ensure the continued fulfillment of the provisions of the agreements when the company fails to provide something requested by the bank. Article Seven (7) of the agreements.

Taking into consideration that the company, on 06/06/2022G, addressed the bank with its desire to increase the capital by offering shares of Rights and amending the articles of association in accordance therewith.

- The Company's guarantees in accordance with the agreement between the Company and Emirates-NBD Bank are summarized in the following:
  - A promissory note of (10,000,000) Saudi riyals.
  - Letter of authority and bond of indemnity in respect of Trade Finance Instructions.
  - A jointly and severally guarantee of unspecified amount by Sirs. Abdul Rahman bin Nasser Al Asmari and Ashri bin Saad Al-Ashry promoted by the guarantor.
  - Company guarantees of unspecified amount by M/S Horizon Analytical Services Company (Single Shareholder Company) with an amount of (10,000,000) Saudi riyals.
  - Agreement for the purchase and sale of goods dated 24/07/2019G.
  - Authorization of the bank to sign contracts and documents for the implementation of purchases and sales of goods on 24/07/2019G.
  - A general waiver of dues on 08/10/2019G. A copy of an insurance policy issued by Al Rajhi Company for Cooperative Insurance in the amount of (10,000,000) Saudi Riyals on 12/12/2019G, marked in favor of Emirates NBD as the first beneficiary.
  - Board of Directors decision on 16/10/2019G.
- The obligations and commitments of this agreement are summarized as follows:
  - Current assets to current liabilities shall not be less than 1.50.
  - Total debt ratio to net tangible equity shall not exceed 1.50.
  - Distributed profits shall not exceed 50% if the total debt ratio to net tangible equity exceeds 1.5.
  - Transfer 50% of the Company's revenues through your account with Emirates NBD.





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- The request for additional financing from other banks shall subject to the Bank's prior approval and the Bank shall have the right to reject for any additional financing requirements.
- The company signed two goods sale agreements on the customer's credit with Al Rajhi Banking and Investment Corp, the following is a summary of these two contracts:
  - On 11/08/1437H (corresponding 18/05/2016G), the company signed an agreement for the sale of goods with Al Rajhi Banking and Investment Corp. This Agreement shall regulate the terms and conditions under which the parties agree from time to time to enter into the second party's purchases of goods by the first party at a deferred price. If the second party has the willingness to sell it the market through the first party, the first party shall sell it in accordance with the terms and conditions set forth in this agreement.
  - On 11/09/1438H (corresponding 06/06/2017G), the company signed an agreement for the sale of goods with Al Rajhi Banking and Investment Corp. This Agreement shall regulate the terms and conditions under which the parties agree from time to time to enter into the second party's purchases of goods by the first party at a deferred price. If the second party has the willingness to sell it the market through the first party, the first party shall sell it in accordance with the terms and conditions set forth in this agreement.

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- The company also signed (3) financial leasing contracts with Abdul Latif Jameel Finance and Saudi ORIX Leasing Co., aiming to benefit the company from the number of cars, that are the subject of the contracts, for commercial use. Details of these contracts are as follows:

Table No. (72): Financial leasing contract with Abdul Latif Jameel Finance

| First Party                | Second Party                   | Contract No.  | Contract Subject   | Contract Date                                 | Contract Duration  | Contract Amount  |
|----------------------------|--------------------------------|---------------|--|---|--|--|
| Abdul Latif Jameel Finance | Development Works Food Company | 72188-7002968 | The two parties agreed that the first party shall lease to the second party the car/cars whose data are shown in Appendix (D) of this contract | 11/02/1441H<br>(corresponding to 10/10/2019G) | (36) months starting from the date of the lessee delivery of the car/car | Total (689,805) Saudi riyals and the rent is due in monthly installments according to the schedule of leasing payments and the contract settlement (Appendix C). |
| Abdul Latif Jameel Finance | Development Works Food Company | 72188-7002667 | The two parties agreed that the first party shall lease to the second party the car/cars whose data are shown in Appendix (D) of this contract | 13/11/1439G<br>(corresponding to 26/07/2018G) | (36) months starting from the date of the lessee delivery of the car/car | Total (476,230) Saudi riyals and the rent is due in monthly installments according to the schedule of leasing payments and the contract settlement (Appendix C). |

Source: The Company



- **Most important financial and operational undertakes and guarantees provided by the company in favor of financing entity under the agreement include the following:**
  - All leasing payments and other obligations arising from this contract shall be paid in its due dates.
  - The due diligence shall be exerted in order to maintain the cars as the reservation of the person kept on his own money, deliberately harm or damage it, and enable the lessor to conduct the necessary inspection and examination.
  - Cars shall be used for the purposes agreed under the contract and not to use them and shall not be used for purposes violate the stated in article (2) of paragraph (1).
  - The car/cars may not be used for illegal acts or violate the laws or transfer or smuggling of contraband or acts of terrorism whether by the lessee, by the person authorized to drive the car or by others.
  - Leaving valuables or special items in the car (s) while not driving shall not be allowed.
  - A periodic maintenance shall be carried out for the car/cars at a maintenance center approved by the manufacturer, its agent, its authorized representative or any of the specialized centers of high quality.
  - Repairing all mechanical faults occur to the car or cars and replacing worn or damaged spare parts at maintenance centers approved by the manufacturer, its agent, its authorized representative, or any of the specialized centers of high quality.
  - Any violations committed by the authorized to drive shall be born and the company shall be the responsible for any act may result from the commissioner's use of the vehicle.
  - Any taxes or government fees that were introduced after the signing of the contract shall be paid.
  - All government costs and fees necessary for documentation, registration or transfer of ownership of the vehicle shall be incurred.
  - If the leased asset or the accessories attached to it, services, fees or fines are subject to the tax system, the VAT amount shall be paid.
  - At the time of payment, the sources of funds shall be disclosed and proof of that shall be provided.
  - Information about the real beneficiaries of the car and the authorized to pay on behalf of the company shall be provide.
  - Upon any modification in any of the data or information provided at the time of contracting. The validity of the provided information shall be ensured and the data shall be updated.
  - Extracting additional copies of car/car keys shall be refrained except by the lessor and procedures and pay the fees approved by the lessor in the event of requesting a copy of the key shall be adhered.
  - All necessary legal measures shall be taken at the police and traffic departments as soon as the company is informed by the loss or theft of the car/cars and ensure the issuance of an urgent

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search circular in all regions of the Kingdom and border crossings after obtaining the written consent of the lessor.

- The car/cars may not be assigned, leased for others, disposed, even partially, or charged with any rights to any third parties and to prevent any other third parties to take any precautionary or executive procedures or taking possession of the car.
- Comply with all traffic laws and regulations inside or outside the Kingdom, pay the amounts of traffic violations, fees and fines due on cars throughout the lease period, and compensate the lessor for any claims that may arising out of non-payment by the lessee or loss of any document for the car.
- Carry out a periodic inspection for the car/cars at least (30) days before the expiration of the driving license. The company shall incur the cost of carrying out repairs and spare parts that the cars may need to pass the periodic inspection.

Table No. (73): Financial leasing contract with Saudi ORIX Leasing Co. (YANAL Finance Company currently)

| First Party              | Second Party                   | Contract No. | Contract Subject  | Contract Date                              | Contract Duration   | Contract Amount   | Notes   |
|--------------------------|--------------------------------|--------------|---|--|---|---|---|
| Saudi ORIX Leasing Co. * | Development Works Food Company | 2019/V/18156 | The first party leased a car/cars for the second party. | 01/02/1441H (corresponding to 10/01/2019G) | (36) Months starting from 17/03/1441H (corresponding to 15/11/2019G) and ending on 04/03/1444H (corresponding to 29/09/2022G) | Total periodic lease payments shall be (1,072,332) Saudi riyals | The period of lease shall be extendable, at the sole discretion of the lessor and pursuant to a new written request issued by the lessee which shall be received at least (180) days before the end of the period of lease. |

Source: The Company

\*The name of the company has been amended to (YANAL Finance Company)



▪ **Most important financial and operational undertakes and guarantees provided by the company in favor of financing entity under the agreement include the following:**

- The lessee company shall provide a duly signed promissory note in prescribed format with an amount equal to the value of the periodic lease payments, or in any other amount as stated in Schedule No. (1) of the Agreement.
- Unless otherwise agreed by the lessor, the Lessor shall provide personal or company guarantees issued by individuals and/or legal entities, as applicable, in addition to a statement of their net value in the prescribed format, and acceptable to the lessor, with an amount equal to the value of the periodic rent payment, or in any other amount agreed upon by mutual agreement between the Parties.
- Unless otherwise agreed by the lessor, the lessee shall make a deposit an amount, as provided in Section (3) of Schedule (1), as a guarantee to perform all of its duties and obligations to the lessor as provided herein, including the promise of lease.
- The undertakings that are the responsibility of the Company throughout the agreement duration shall be:
  - Unless the Lessor is a natural person, the company shall undertake to submit to the Lessor interim and annual financial statements, prepared in accordance with accounting standards generally accepted in the Kingdom of Saudi Arabia, approved by a duly authorized person, and audited by a qualified Saudi legal accounting firm, within (45) days and (180) days respectively, after the end of each interim period and financial year during the lease duration.
  - Unless the Lessor is a natural person, the company shall undertake to maintain the debt to equity ratio, trading ratio and share capital throughout the lease duration at a minimum equivalent to the same level as stated in the most recent financial statements submitted to the Lessor in connection with the conclusion of the Lease.
  - At the request of the Lessor, any other information about the company's business and financial position shall be provided within (15) days from the date of the Lessor's request.
  - He lessor shall be notified immediately of the occurrence of any of the events described in Article (16).
  - Based on the financial lease contract concluded between the company and Saudi ORIX Leasing Co., the company concluded an insurance agreement on 01/02/1441H (01/10/2019G). This agreement shall apply for the period in which (the equipment/cars/real estate is held by the tenant (the company) or under its control). This agreement is considered a supplement to the financial lease agreement No. (2019/V/18156) regarding the lease agreement (equipment/cars/real estate).

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### 10.12.4 Fundamental contracts of the company and its subsidiaries

Table No. (74): Contracts related to the company's activity.

| Contract type            | First Party                    | Second Party               | Contract Date  | Contract Duration             | Contract Amount               |
|--------------------------|--------------------------------|----------------------------|--|-------------------------------|-------------------------------|
| Account opening contract | Development Works Food Company | Azumi Saudi Company        | The contract was approved by the Riyadh Chamber on 08/10/1442H (corresponding to 20/05/2021G). | Not specified in the contract | Not specified in the contract |
| Account opening contract | Development Works Food Company | Chifty Restaurants Company | 08/02/1443H (corresponding to 15/09/2021G)   | Not specified in the contract | Not specified in the contract |

Source: The Company

Table No. (75): Supply Contracts

| Contract type                      | First Party (Seller)                                       | Second Party (Purchaser)       | Contract Subject   | Contract Date                               | Contract Amount  | Notes   |
|------------------------------------|--|--------------------------------|--|---|--|---|
| Juice supply contract              | Raghad Abdul Rahman Al-Ismael Foodstuff Est                | Development Works Food Company | Supplying quantities of strawberries and frozen pomegranates to the second party according to the quantities and specifications indicated in the contract and in a manner that does not contradict with the applicable regulations | 10/11/1442H (corresponding to 20/06/2021G). | (3,882,750) Saudi riyals   | -   |
| Goods and products supply contract | Aljomaih Bottling Plants (Aljomaih Holding Company branch) | Development Works Food Company | Supply of its goods and products to its shop/shops and/or any location agreed upon between the two parties and according to the prices mentioned in the contract   | 03/05/1441H (corresponding to 29/12/2019G). | The contract value is specified for each segment according to the table attached to the contract | The contract is still valid and automatically renewed upon the payment and through purchase and sale requests and orders. |



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|                       |                                |  |   |   |  |  |
|-----------------------|--------------------------------|--|---|---|--|--|
| Juice supply contract | Development Works Food Company | Tharwa Business Company (Cilicia Restaurant)       | The second party shall be provided with the quantities of fresh juices in return for the second party's commitment to the terms of this contract and pay the value of the supplied juices on the specified dates without any delay. | 10/07/1440H (corresponding to 17/03/2019G). | Price per liter of natural juice: Fourteen (14) Saudi riyals   | the contract is still valid and automatically renewed upon the payment and through purchase and sale requests and orders |
| Juice supply contract | Development Works Food Company | AWJ Silver Investment Company (Catch22 restaurant) | The second party shall be provided with the quantities of fresh juices in return for the second party's commitment to the terms of this contract and pay the value of the supplied juices on the specified dates without any delay. | 21/10/1440H (corresponding to 24/06/2019G). | Price per liter of natural juice: Fifteen (15) Saudi riyals.<br>Price per liter of lemonade press juice: Thirty-four (34) Saudi riyals.<br>Price per liter of pineapple, avocado and beetroot: Nineteen (19) Saudi riyals.<br>Price per liter of all cocktails: Seventeen (17) Saudi riyals.<br>Price per liter of awar qalb and pina colada: Twenty | the contract is still valid and automatically renewed upon the payment and through purchase and sale requests and orders |



|                       |                                |  |   |   |   |  |
|-----------------------|--------------------------------|--|---|---|---|--|
|                       |                                |  |   |   | (20) Saudi riyals.  |  |
| Juice supply contract | Development Works Food Company | AWJ Silver Investment Company (Awani restaurant) | The second party shall be provided with the quantities of fresh juices in return for the second party's commitment to the terms of this contract and pay the value of the supplied juices on the specified dates without any delay. | 22/11/1440H (corresponding to 25/07/2019G). | Price per liter of natural juice: Fifteen (15) Saudi riyals.<br>Price per liter of lemonade press juice: Thirty-four (34) Saudi riyals.<br>Price per liter of pineapple, avocado and beetroot: Nineteen (19) Saudi riyals.<br>Price per liter of all cocktails: Seventeen (17) Saudi riyals.<br>Price per liter of awar qalb and pina colada: Twenty (20) Saudi riyals. | the contract is still valid and automatically renewed upon the payment and through purchase and sale requests and orders |

Source: The Company



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Table No. (76): Franchising contracts with the company.

| Contract type                        | First Party                    | Second Party  | Contract Subject   | Contract Date | Contract Duration | Contract Amount       |
|--------------------------------------|--------------------------------|---|--|---------------|-------------------|-----------------------|
| Franchising agreement for one outlet | Development Works Food Company | Khaled Saeed Ali Kadsa Est. for serving drinks          | The franchisee shall have the right to use and operate Juice Time Restaurant and to use the regulation and the trademarks exclusively in order to operate Juice Time Restaurant at the location approved by the Franchisor | 26/04/2021G   | Five years        | (90,000) Saudi riyals |
| Franchising agreement for one outlet | Development Works Food Company | Baraka bin Fahd bin Abdullah bin Baraka to serve drinks | The franchisee shall have the right to use and operate Juice Time Restaurant and to use the regulation and the trademarks exclusively in order to operate Juice Time Restaurant at the location approved by the Franchisor | 01/10/2021G   | Five years        | (90,000) Saudi riyals |
| Franchising agreement for one outlet | Development Works Food Company | Sawad Alqahwa Coffee Co. for Catering                   | The franchisee shall have the right to use and operate Juice Time Restaurant and to use the regulation and the trademarks exclusively in order to operate  | 16/02/2021G   | Five years        | (90,000) Saudi riyals |

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|                                      |                                |   |  |             |            |                           |
|--------------------------------------|--------------------------------|---|--|-------------|------------|---------------------------|
|                                      |                                |   | Juice Time Restaurant at the location approved by the Franchisor   |             |            |                           |
| Franchising agreement for one outlet | Development Works Food Company | Hanan Fahad Misfer Al Dahasi Co. for Drinks | The franchisee shall have the right to use and operate Juice Time Restaurant and to use the regulation and the trademarks exclusively in order to operate Juice Time Restaurant at the location approved by the Franchisor | 21/06/2021G | Five years | (90,000) Saudi riyals     |
| Franchising agreement for one outlet | Development Works Food Company | Meo company                                 | The franchisee shall have the right to use and operate Juice Time Restaurant and to use the regulation and the trademarks exclusively in order to operate Juice Time Restaurant at the location approved by the Franchisor | 29/03/2023G | Five years | (112,500) Saudi riyals    |
| Franchise agreement for four units   | Development Works Food Company | Petro Sama Company                          | The franchisee shall have the right to use and operate Juice Time Restaurant and to use the regulation and the trademarks  | 08/04/2019G | Five years | (90,000) Saudi riyal/unit |



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|                                     |                                |                       |  |             |            |                            |
|-------------------------------------|--------------------------------|-----------------------|--|-------------|------------|----------------------------|
|                                     |                                |                       | exclusively in order to operate Juice Time Restaurant at the location approved by the Franchisor   |             |            |                            |
| Franchise agreement for three units | Development Works Food Company | Qatouf Golden Company | The franchisee shall have the right to use and operate Juice Time Restaurant and to use the regulation and the trademarks exclusively in order to operate Quiznos SubRestaurant at the location approved by the Franchisor | 12/06/2022G | Five years | (70,000) Saudi riyals/unit |

Source: The Company

Table No. (77): Major discount contract.

| Contract type           | First Party                    | Second Party | Contract Subject   | Contract Date                               | Contract Duration | Contract Amount | Notes  |
|-------------------------|--------------------------------|--------------|--|---|-------------------|-----------------|--|
| Major discount contract | Development Works Food Company | Almarai      | The service shall be provided to all client's sales outlets according to the standard delivery | 01/09/1442H (corresponding to 13/04/2021G). | One year          | -               | the contract is still valid and automatically renewed upon the payment and through purchase and sale requests and orders |

Source: The Company

## Development Works Food Company

Table No. (78): Economic activity transfer contract

| Contract type                       | First Party                    | Second Party                      | Contract Subject   | Contract Date                               | Contract Duration | Contract Amount          | Notes  |
|-------------------------------------|--------------------------------|-----------------------------------|--|---|-------------------|--------------------------|--|
| Economic activity transfer contract | Development Works Food Company | Gulf Restaurants & Parks Co. LTD. | The Second Party shall agree to transfer the economic activity, goods and services related to the exclusive right to exploit and use the agency and trademark (Queens Sub) and to waive the warehouse, all branches and all labor that serve that agency, the mentioned trademark, all cars and other means of transport that serve that trademark | 06/03/1440H (corresponding to 14/11/2018G). | -                 | (6,500,000) Saudi riyals | the contract is still valid and automatically renewed upon the payment and through purchase and sale requests and orders |



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|  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|
|  |  |  | and all in shops and in the warehouse of movables, decoration and equipment of the Second Party, as stipulated in paragraph (C) of the agreement concluded between the two parties on 17/01/2019<br>G. |  |  |  |  |
|--|--|--|--|--|--|--|--|

Source: The Company

## Development Works Food Company

Table No. (79): Consultancy and financial services contracts.

| Contract type                               | First Party                    | Second Party                   | Contract Subject   | Contract Date                               | Contract Amount                      | Notes   |
|---|--------------------------------|--------------------------------|--|---|--------------------------------------|---|
| Provision of pest control services contract | Mace Environmental Services    | Development Works Food Company | Insect and rodent control services shall be provided in the buildings of the second party as indicated in the clause (4) of the contract.  | 19/11/1442H (corresponding to 29/06/2021G). | (91,799.96) Saudi riyals             | -   |
| Legal Consultancy Services Agreement        | Development Works Food Company | Al Tamimi & Company            | The first party shall be represented before all governmental and judicial entities, ministries, public entities, institutions, natural and legal persons in order to explain and follow up any case or transaction of a legal nature related to the interests of the first party, with the exception of the Committee for the Resolution of Securities Disputes. | 06/10/1442H (corresponding to 18/05/2021G). | (7,000) Saudi riyals/monthly payment | -The office and its employees shall be committed to maintain confidentiality of information and documents delivered to it in order to represent the client. |

Source: The Company

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Table No. (80): Other contracts

| Contract type               | First Party   | Second Party  | Contract Subject  | Contract Date                               | Contract Amount        | Notes                 |
|-----------------------------|---|---------------|---|---|------------------------|-----------------------|
| Refrigerator lease contract | Ali Bin Abdullah Al Hassoun, a representative of Arriyadh Development Co. | Alfadan Fruit | The first party shall lease to the second party a refrigerator in El taamer market for wholesale vegetables and fruits in Riyadh, which is affiliated with the company in Riyadh. | 28/05/1441H (corresponding to 23/01/2020G). | (125,000) Saudi riyals | The contract is valid |

Source: The Company

Development Works Food Company did not signed any memorandums of understanding with any of the parties, except the certificate of incorporation/articles of association, no memorandums of understanding regarding possible future participation with third parties other than those mentioned in the articles of association except as mentioned in the table below were reviewed:

Table No. (81): Memorandum of Understanding

| Memorandum date                            | First Party | Second Party                   | Memorandum subject  | Memorandum duration                                       | Memorandum amount   | Notes  |
|--|-------------|--------------------------------|---|---|---|--|
| 28/05/1442H (corresponding to 12/01/2021G) | KDD         | Development Works Food Company | The minimum purchase volume for the first party/ monthly shall be agreed as mentioned in the contract in order to benefit from the special offer made on the products agreed in the contract (ice cream). | A year starting on 01/12/2021G and ending on 31/12/2021G. | The Monthly minimum is forty thousand (40,000) Saudi riyals | The First Party shall have the right to file any lawsuit in the event that the amounts are not paid by the Second Party within the agreed period. It is still valid and automatically renewed upon the payment and through purchase and sale requests and orders |

Source: The Company

## Development Works Food Company

### 10.13 Company Real Estate

As of the date of this prospectus, there are no real estate or land registered in the name of the company according to legal instruments issued by the competent authorities in this regard.

### 10.14 Lawsuits

As of the date of this prospectus, the company and its subsidiaries are not a party to any lawsuit, case, complaint, claim, arbitration, administrative action or investigation that exists or is likely to be instituted, which would have, collectively or individually, a material effect on the company's business or financial situation. The company's management was not aware that there are any substantial or potential litigation disputes or facts that could arise, collectively or individually, an imminent risk related to a material dispute, until the date of this prospectus, except for the following:

Table No. (82): Lawsuits filed by the company and its subsidiaries as the plaintiff.

| Case/<br>Number/<br>Date  | Plaintiff                      | Defendant          | Case<br>subject         | Plaintiff's<br>requests                                      | Defendant's<br>requests               | Jurisdiction                                  | Action/<br>Current/<br>Subsequent   | Notes   |
|---|--------------------------------|--------------------|-------------------------|--|---------------------------------------|---|---|---|
| 421074543<br>14/02/1442<br>H<br>(corresponding to<br>01/10/2020<br>G) | Development Works Food Company | Business Angle Co. | Rent collection         | Defendant shall be obligated to pay the rent of the property | Dismiss the case for non-usufructuary | General Court in Riyadh, Second Circuit       | A preliminary decision was issued in favor of the company in the amount of (1,785,875) Saudi riyals | A final decision was issued in the amount of (893,221) Saudi riyals, and an application for execution was filed |
| 153/2022<br>writs of performance                                      | Development Works Food Company | Atayb Aljazera co. | Advance payments refund | Defendant shall be obligated to pay (255,852) Saudi riyals   | Supply of substitute goods            | Derb Najm Court in Sharkia Governorate, Egypt | The case is still pending.  | The first hearing was scheduled on 12/07/2022.  |

Source: The Company





## Development Works Food Company

### 10.15 Trademarks

- The company has two logos that it uses in its commercial dealings. The logos have been registered as trademarks with the Ministry of Commerce (Trademark Department) under category (43), which is one of the categories of trademarks that are concerned with (catering services, temporary accommodation). This shall enable the company to put its name and logo on the exterior of the building, offices or shops that the company operates, as it has registered the trademark and granted it the necessary legal protection in accordance with the trademark system.
- It should also be noted that the company has intangible assets, but its book value as at 31/12/2020 has changed to an amount of (228,756) Saudi riyals, while as at 31/12/2021G, it reached an amount of (298,235), which is computer programs.
- The company shall be also committed to registering its two websites, so that the company registered the website (dwf.com.sa) in accordance with a domain registration certificate issued by the Communications and Information Technology Authority - Saudi Network Information Center on 04/08/1443H (corresponding to 07/03/2022G), and the protection granted shall expire on 06/06/1444H (corresponding to 30/12/2022G). The company also registered the website(juicetime.com.sa) in accordance with a domain registration certificate issued by the Communications and Information Technology Authority - Saudi Network Information Center on 04/08/1443H (corresponding to 07/03/2022G), and the protection granted shall expire on 06/06/1444 H (corresponding to 30/12/2022 AD). Therefore, the company has secured the protection of the aforementioned websites and prevent their violation and use by third parties, who may resort to adding only one phrase (.sa).

Table No. (83): Trademarks.

| Protection End date                           | Protection Start date                         | Registration date                             | Registration /certificate No. | Category | Ultimate Parent                 | Trademark   |
|---|---|---|-------------------------------|----------|---------------------------------|---|
| 02/07/1446H<br>(corresponding to 02/01/2025G) | 03/07/1436H<br>(corresponding to 22/04/2015G) | 03/07/1436H<br>(corresponding to 22/04/2015G) | 1436014382                    | 43       | Juice Time Restaurant for Meals |  |
| 15/08/1447H<br>(corresponding to 03/02/2026G) | 16/08/1437H<br>(corresponding to 23/05/2016G) | 16/08/1437H<br>(corresponding to 23/05/2016G) | 1437018913                    | 43       | Juice Time Restaurant for Meals |  |

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|  |  |  |            |    |                                   |   |
|--|--|--|------------|----|-----------------------------------|---|
| 09/07/1454 AH<br>(corresponding to 10/14/2032 G) | 07/10/1444 AH<br>(corresponding to 02/01/2023 G) | 11/29/1444 AH<br>(corresponding to 06/18/2023 G) | 1444024801 | 43 | Food Development Business Company |    |
| 08/29/1454 AH<br>(corresponding to 12/03/2032 G) | 08/30/1444 AH<br>(corresponding to 03/22/2023 G) | 11/29/1444 AH<br>(corresponding to 06/18/2023 G) | 1444029484 | 43 | Food Development Business Company |    |
| 04/05/1450 AH<br>(corresponding to 08/26/2028 G) | 04/05/1440 AH<br>(corresponding to 12/12/2018 G) | 06/19/1440 AH<br>(corresponding to 02/24/2019 G) | 1440009070 | 43 | Food Development Business Company |    |
| 04/18/1454 AH<br>(corresponding to 07/26/2032 G) | 04/19/1444 AH<br>(corresponding to 11/13/2022 G) | 09/08/1444 AH<br>(corresponding to 03/01/2023 G) | 1444014001 | 43 | Food Development Business Company |   |
| 10/13/1453 AH<br>(corresponding to 01/26/2032 G) | 10/14/1443 AH<br>(corresponding to 05/15/2022 G) | 01/24/1444 AH<br>(corresponding to 08/22/2022 G) | 1443032614 | 43 | Food Development Business Company |  |

Source: The Company

\* The registration of trademarks has been transferred to the Saudi Authority for Intellectual Property



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### 10.16 Insurance

Development Works Food Company has a number of insurance policies to prevent some risks and preserve its assets and property, including the following:

- **Health Insurance:**
  - Article (144) of the Labor Law stipulates that the employer shall provide health, preventive and therapeutic care to its employees in accordance with the levels determined by the Minister of Labor, taking into account what is provided by the Cooperative Health Insurance Law. Article (5) of the Implementing Regulations of the Cooperative Health Insurance Law approved by Ministerial Resolution No. (9/35/1/z) dated 13/04/1435H (corresponding to 13/02/2014G) affirmed the obligation of the employer to conclude a health insurance policy with one of the insurance companies covering all its employees, subject to the law, and their family members. The employer shall be obligated to conduct insurance coverage on the beneficiary from the date of arrival in the Kingdom and to hand over the insurance card to it within a period not exceeding ten working days from the date of arrival.
  - According to Article (14) of the Cooperative Health Insurance Law, if the employer does not contribute or does not pay the cooperative health insurance premiums for the worker to whom this law applies and its family members who are covered by the cooperative health insurance policy, it shall be obligated to pay all the outstanding premiums, in addition to paying a fine that does not exceed the value of the annual contribution for each individual, with the possibility of depriving it of recruiting workers for a permanent or temporary period.
  - If any of the cooperative insurance companies breaches any of their obligations specified in the cooperative health insurance policy, they shall be obliged to fulfill these obligations and compensate for the damages arising from their breach, in addition to paying a fine not exceeding five thousand (5000) Saudi riyals for each individual covered by the policy subject of the violation.
  - The insurance company shall issue a certificate to the employer (policyholder), upon request, stating that its employees are insured for submission to the authority concerned with issuing and renewing residence permits.
  - The company signed a health insurance policy for its employees and some members of their families with Al Rajhi Company for Cooperative Insurance (Al Rajhi Takaful) on 09/05/1443H (corresponding to 13/12/2021G), a company licensed to practice the insurance activity. The policy shall bear the number (1011763419) and this policy shall cover health care through the network of medical service providers appointed by the company and provided that the case is covered by insurance. Coverage benefits and compensations shall include all current or new employees shown on the payroll, (husband/wife, children- minimum: From date of birth - maximum: Up to 25 years, unmarried daughters, including widows and divorced women, in accordance with the company's insurance policy). The policy period is one (1) year starting from 15/09/2021G and ending on 14/09/2022G. The document shall include the benefits, submissions and coverage covered by the document, in addition to the exceptions and



services not covered by the document. The number of beneficiaries is five hundred and forty-five (545) employees.

- The subsidiary has also signed a health insurance policy for its employees and some members of their families (PL-CRO-40419-2-KSB holdin-RE). This policy shall cover health care through the network of service providers appointed by the company, provided that the case is covered by insurance. Coverage benefits and compensations shall include all current or new employees shown on the payroll, (husband/wife, male children up to the age of twenty-five (25) years and unmarried daughters). This document is valid from 11/07/2021G to 10/07/2022. The Council of Cooperative Health Insurance and the committee formed by a decision of the Chairman of the Board to consider violations of the provisions of the Cooperative Health Insurance Law shall be competent to settle all disputes arising or related to this policy in accordance with Clause (14) of the said law.
- **Compulsory Motor Vehicle Insurance:**
- The company has an insurance policy for the vehicles owned by the company with AXA Cooperative, a company licensed to operate in the Kingdom under an insurance policy No. (2/VF/39058728/0 on 10/04/1443H (corresponding to 23/11/2021G). The period of coverage shall be one year, starting from 19/04/1443H (corresponding to 24/11/2021G) and ending on 29/04/1444H (corresponding to 23/11/2022G). Coverage shall extend to compensating the insured company for loss or damage to the insured vehicle and the spare parts installed. The maximum liability of the insurance company in one incident for physical and material damages together shall not exceed the amount of ten million (10,000,000) Saudi riyals and it includes forty-five (45) vehicles.
- The company has a report (done) issued by the Ministry of Interior - Traffic Department No. (713981390) dated 14/09/1443H (corresponding to 13/04/2022G), which states that the company owns twenty-six (26) vehicles, of which twenty-four (24) vehicles are still insured.
- The subsidiary has an insurance policy for the vehicles owned by the company with AXA Cooperative, which is a company licensed to operate in the Kingdom and holds the policy No. (2/VF/3905783/0/0). The policy starts from 19/04/1443H (corresponding to 24/11/2021G) and ends on 29/04/1444H (corresponding to 23/11/2022G). The coverage shall extend to compensate the insured company for loss or damage to the insured vehicle and the spare parts installed. The maximum liability of the insurance company in one incident for physical and material damages together shall not exceed ten million (10,000,000) Saudi riyals and it includes ten (10) vehicles.

- **Property All Risks Insurance Policy**
- The Company has a property insurance policy against all risks to which the company may be exposed signed with Al Rajhi Company for Cooperative Insurance, a company licensed to operate in the Kingdom and bearing the number (P1219-FAP-CCRO-274430/R2) on 19/09/1443H (corresponding to 20/04/2022G). Coverage shall start from 24/08/1443H (corresponding to 27/03/2022G) and ends on 03/09/1444H (corresponding to 26/03/2023G). The insurance coverage shall include sixty-eight (68) establishments, including the company's shops and warehouses. The total value of the insurance amount is ten million (10,000,000) Saudi riyals.

### 10.17 Material information that has changed since the CMA's approval of the last Prospectus

The following is a summary of the most prominent information that changed since the Authority's approval to the last issue prospectus issued on 13/04/1438H (corresponding to 11/01/2017G):

- **Articles of Association:** Some articles of the articles of association have been amended several times in accordance with the resolutions of the Extraordinary General Assembly.
- **Change of Capital:**
  - Increase the company's capital from (12,500,000) riyals to (25,000,000) riyals and increase the number of shares from (1,250,000) shares to (2,500,000) shares by granting bonus shares to shareholders from the remaining profits equivalent to (1) shares per issued share and 100% of the capital,
  - Increase the company's capital by granting bonus shares to the shareholders of the company by one (1) share for every five (5) shares to be the total amount of the increase of five hundred thousand (500,000) Saudi riyals, thus increase the capital from twenty five million (25,000,000) riyals to become the capital after the increase thirty million (30,000,000) riyals with an increase of (20%), and increase the number of shares from (2,500,000) shares to become after the increase (3,000,000) shares through the capitalization of the amount of (1,923,872) riyals from the statutory reserve and amount of (3,076,128) riyals of the remaining profits. The Company has obtained prior approval from the Capital Market Authority for all changes in the Company's capital.
- **Senior Management:** Making some amendments, the most important of which is the appointment of a new CEO (Hisham Abdulrahman Mohammed bin Muqrin) in accordance with the Board of Directors' decision on 15/10/1441H (corresponding to 07/06/2020G)
- **Board of Directors:** The number of the Board members has been increased from five (5) members to (6) members, electing the members of the Board of Directors for a new round starting from



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24/03/1443H (corresponding to 30/10/2021G) and for a period of three years and ending on 26/04/1446H (corresponding to 29/10/2024G).

- Governance: The General Assembly of Shareholders approved the updating of the governance regulations, and the members of the committees emerged from the Board of Directors were appointed for a new round ending on 26/04/1446H (corresponding to 29/10/2024G).
- Transition from the growth market to the major market: Tadawul has approved the listing and commencement of trading of the shares of the Development Works Food Company in the main market starting from 18/04/1443H (corresponding to 23/11/2021G) with the code (6013).

### 10.18 Statements of the Board of Directors members regarding the legal information

In addition to the other declarations referred to in this prospectus, the Board of Directors members acknowledge the following:

- A. The issuance shall not violate the relevant laws and regulations in the Kingdom of Saudi Arabia.
- B. The issuance shall not prejudice any of the contracts or agreements in which the company or its subsidiaries is a party.
- C. All material legal information relating to the Company and its subsidiaries is disclosed in the prospectus.
- D. Other than the stated in Section (14.10) "Lawsuits" of this prospectus, the company and its subsidiaries shall not subject to any legal claims or proceedings that, collectively or individually, may materially affect the business of the Company, its subsidiaries or their financial situation.
- E. Other than the stated in Section (14.10) "Lawsuits" of this prospectus, and Risk No. (43.1.2) "Risks of Litigation Against the Former Chairman of the Board of Directors" in Section (2) "Risk Factors", members of the Board of Directors of the Company shall not subject to any legal claims or proceedings that, collectively or individually, may materially affect the business of the Company, its subsidiaries or their financial situation.



## 11. Underwriting

The Company and the subscription coverage undertakers (Wasatah Capital) and (NOMW CAPITAL) have entered into a subscription coverage undertaking agreement to cover twenty one million six hundred thousand (21,600,000) ordinary shares, at a price of ten (10) Saudi riyals per share, with a total value of two hundred and sixteen million (216,000,000) Saudi riyals, representing (100%) of the Rights shares offered for subscription (the "Subscription Coverage Undertaking Agreement").

### 11.1 Lead Underwriter

Wasatah Capital  
Riyadh - Olaya Main Street  
P.O. Box 50315 Riyadh 11523  
Kingdom of Saudi Arabia  
Tel.: 4944067+966 11  
Fax: 4944205+966 11  
E-mail: info@wasatah.com.sa  
Website: www.wasatah.com.sa



### 11.2 Summary of the Subscription Agreement

According to the terms and conditions of the Subscription subscription Agreement:

- 1) The Company shall undertake to the coverage undertaker that on the date of assignment all Rights shares contracted to cover in this subscription shall be issued and allocated to the coverage undertaker and which have not been subscribed by the eligible shareholders as additional shares at the subscription price.
- 2) The company's subscription coverage undertaker shall undertake that on the date of assignment, they shall purchase the shares covered in this subscription, which have not been subscribed to by eligible shareholders as additional shares at the subscription price.
- 3) subscription coverage undertaker shall receive a specific payment for their undertake of coverage which shall be paid from the proceeds of the subscription.



## 12. Exemptions

The company did not submit any exemption request to the Capital Market Authority in connection with the offering.





### 13. Information of shares and terms and conditions of offering

The company has applied to the Capital Market Authority to register and offer new shares and to Saudi Exchange (Tadawul) to list the new shares and all requirements have been met under the rules of offering securities, continuing obligations and listing rules.

All eligible shareholders, holders of acquired rights and offerors shall read the terms and instructions of the subscription very carefully before the electronic subscription or submit the subscription application through the broker or fill out the remaining offering form. Submission of the application for subscription or signature and delivery of the remaining application form shall constitute approval and acceptance of the mentioned terms and conditions.

#### 13.1 Offering

The offering shall be considered an increase in the Company's capital by issuing Rights shares of two hundred and sixteen million (216,000,000) Saudi riyals divided into twenty one million six hundred thousand (21,600,000) ordinary shares, with a nominal value of ten (10) Saudi riyals per share and an offering price of ten (10) Saudi riyals per share.

#### 13.2 How to apply for subscription in Rights shares (new shares)

enrolled shareholders wishing to subscribe to Rights shares must submit an application during the subscription period through the investment portfolio in the trading platforms through which buy and sell orders are entered, in addition to the possibility of subscription through any other means provided by the broker and custodian of shares in the Kingdom during the subscription period. In case there is a remaining offering period, applications for any remaining shares may also be submitted by institutional investors only.

By participating in the subscription, the subscriber shall acknowledge:

- ✓ Approving its subscription in the company with the number of shares described in the application for subscription.
- ✓ It reviewed, understood, and examined this prospectus and all its contents.
- ✓ Approving the company's statute and the conditions set out in this prospectus.
- ✓ It has never applied for the same shares for this offer with the broker. The company shall have the right to refuse all applications in the event of a repeat application.
- ✓ Accepting the shares allocated pursuant to the subscription application and accepting all the terms and conditions of the subscription set out in the application and in this prospectus.
- ✓ Ensure that the application is not cancelled or amended after submission to the broker.

### 13.3 Subscription Request

The eligible person who willing to exercise its full right and subscribe to all shares of Rights to which it is entitled to subscribe, shall subscribe through the investment portfolio in the trading platforms through which buy and sell orders are entered or through any other means provided by the broker and the custodian of the shares.

The number of shares in which the eligible person is entitled shall be calculated according to the number of Rights he or she owns. The amount of the subscription to be paid by the subscriber shall be calculated by multiplying the number of existing Rights owned by it before the end of the subscription period by ten (10) Saudi riyals.

### 13.4 Stage of trading, subscription, remaining offering period

Eligible shareholders willing to subscribe to the Rights shares shall submit the subscription application during the subscription period beginning on xx/xx/xxxxH (corresponding to xx/xx/xxxxG) and expiring on xx/xx/xxxxH (corresponding to xx/xx/xxxxG).

The extraordinary General Assembly, held on xx/xx/xxxxH (corresponding to xx/xx/xxxxG), approved the Board's recommendation to increase the company's capital through the issuance of Rights shares. Under this prospectus, twenty-one million six hundred thousand (21,600,000) ordinary shares shall be offered for subscription to Rights shares, which represent (720%) of the company's pre-subscription capital at an offering price of ten (10) Saudi riyals per share, with a nominal value of ten (10) Saudi riyals per share, and a total offering value of two hundred and sixteen million (216,000,000) Saudi riyals, the new shares shall be issued at the rate of one share for each right. Subscription to the shares of Rights submitted to shareholders registered in the company's shareholders' register shall take place at the end of the second trading day following the extraordinary General Assembly meeting on xx/xx/xxxxH (corresponding to xx/xx/xxxxG), and to beneficiaries who purchased Rights during the trading period of Rights, including enrolled shareholders who purchased additional Rights along with the rights they originally owned.

In the event that the Rights of eligible persons shall not be exercised by the end of the subscription period, the remaining shares (resulting from the non-exercise or sale of those rights by eligible persons) shall be submitted to the investment institutions through their offering in the remaining offering period.

Enrolled shareholders shall be able to trade Rights deposited in the portfolios via the Saudi Stock Exchange (Tadawul). These rights shall be considered to be an acquired right of all shareholders on the company's records at the end of the second trading day following the extraordinary General Assembly for capital increase. Each holder's right shall give the right to subscribe a new share at the price of the offering. Rights shall be deposited after the Assembly's holding. Rights shall appear in the registered shareholders' portfolios under a new Rights code and the enrolled shareholders shall then be notified of the deposit of rights in their portfolios.

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The schedule for sequencing and detailing the submission of Rights shares shall be as follows:

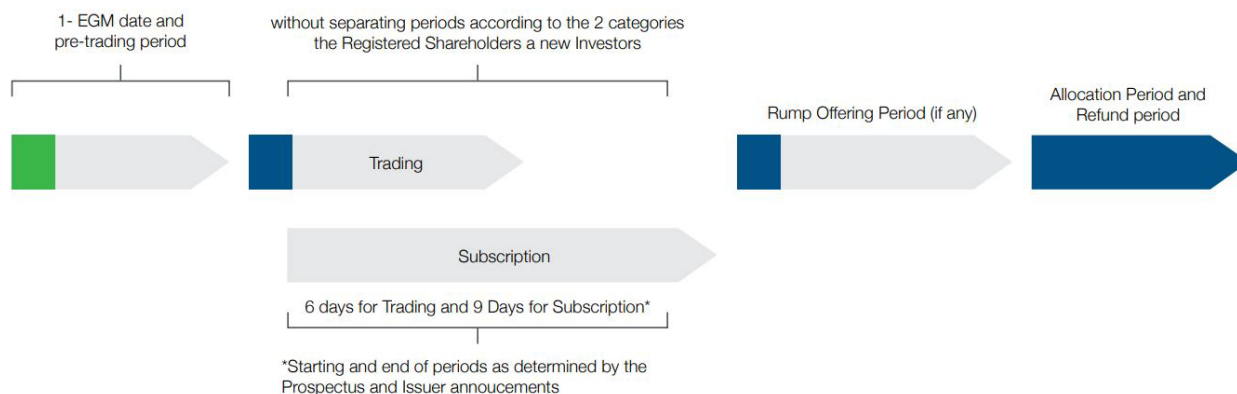
- 1) **Eligibility date:** The end of trading on the day of the Extraordinary General Assembly meeting on **xx/xx/xxxxH** (corresponding to **xx/xx/xxxxG**).
- 2) **Stage of trading and subscription** The trading and subscription phase shall commence on **xx/xx/xxxxH** (corresponding to **G**) with the end of the trading period on **xx/xx/xxxxH** (corresponding to **xx/xx/xxxxG**). The period of subscription shall continue until the end of the day of **xx/xx/xxxxH** (corresponding to **xx/xx/xxxxG**).
- 3) **Remaining offer period** It shall begin at ten o'clock in the morning on **xx/xx/xxxxH** (corresponding to **xx/xx/xxxxG**) and continues until five o'clock in the evening of the day **xx/xx/xxxxH** (corresponding to **xx/xx/xxxxG**). During this period, the remaining shares shall be offered to a number of institutionalized investors (referred to as "investment institutions") provided that these investment institutions shall make offers to buy the remaining shares. The remaining shares shall be allocated to investment institutions with the highest and then the lowest offer (provided that not to be less than the offer price). The shares shall be allocated proportionately to investment institutions that offer the same offer. For fractional shares, they shall be added to the remaining shares and reciprocated. The subscription price for new shares not subscribed to in this period shall be at the minimum offering price, and if the unscripted share price is higher than the offering price, the difference (if any) shall be distributed as compensation to Rights holders who have not subscribed to their rights in proportion to their own rights.
- 4) **Final allocation of shares** shall be allocated to each investor based on the number of rights he exercised fully and correctly. For shareholder fractional shares receivers, fractional share shall be collected and submitted to the investment institutions during the remaining offering period. The company's total offering price shall be paid, and the remainder of the proceeds of the sale of the remaining shares and the fractional shares shall be distributed without any fees or deductions (exceeding the price of the offering) to its beneficiaries as due no later than **xx/xx/xxxxH** (corresponding to **xx/xx/xxxxG**).
- 5) **Trading the new shares in the market:** Trading in the shares offered for subscription in (Tadawul) upon completion of all procedures related to the registration and allocation of the Tadawul shares.



The company has applied to the Capital Market Authority to register and offer new shares. The company has also applied to the Saudi Stock Exchange (Tadawul) to accept its listing.

Figure No. (2): Trading and subscribing mechanism for traded Rights.

Source:



Source: Tadawul

### 13.5 Allocation and surplus refund

The company and the subscription manager shall open a trust account in which the proceeds of the subscription shall be deposited.

rights shares are allocated to eligible persons based on the number of rights they have exercised fully and correctly. For equity fracture receivers, the shares shall be collected and added to the remaining shares that have not been subscribed to and submitted to the investment institutions during the remaining offering period, and the remaining shares to be allocated to the investment institutions based on the price provided by them (Higher price then lower, lower condition is not less than the offering price) Shares shall be allocated proportionately to the investment institutions that offer the same offer. The Company's total share offering price shall be paid, and the remaining share sale proceeds and share fractional shares(if any) (in excess of the offer price)shall be distributed to their respective receivables as due no later than xx/xx/xxxxH(corresponding to xx/xx/xxxxG). The investor who did not subscribe or sell his rights, and the owners of the share fractures, may not receive any payment if the sale takes place in the remaining offering period at the offer price. If shares remain unencumbered thereafter, the coverage contractors shall purchase and allocate to the remaining new shares.

The final number of shares allocated to each eligible person without any commissions or deductions from the subscription manager is expected to be announced by recording them in the subscriber's accounts. Eligible persons must contact the broker through which the subscription application was



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submitted for any additional information. The results of the allocation shall be announced no later than xx/xx/xxxxH (corresponding to xx/xx/xxxxG).

The surplus (the remainder of the proceeds of the offering above the offering price), and the amount of compensation (if any) shall be refunded to the eligible persons who have not exercised their right to subscribe in whole or in part to the new shares and to the receivables of the shares without any deductions no later than xx/xx/xxxxH (corresponding to xx/xx/xxxxG).

### 13.6 Supplementary Prospectus

The Company shall submit to the Authority a supplementary issuance, in accordance with the requirements of the Rules on the Offering of Securities and Continuing Obligations, if the Company is informed at any time after the date of publication of this issuance and prior to the completion of the Offering of any of the following:

- There is a significant change in substantive matters contained in this bulletin.
- The appearance of any important issues should have been included in this bulletin.

An investor who has subscribed to the new shares prior to the publication of the supplementary prospectus may cancel or modify its subscription to the shares prior to the expiration of the offering period.

### 13.7 Suspension or cancellation of the offer

The CMA may at any time issue a decision to suspend or cancel the Offer if it considers that the Offer may result in a breach of the Financial Market Regulations, Executive Regulations or Market Rules. The rollout would also be cancelled if the extraordinary General Assembly did not approve any details of the rollout.

The following figure shows the mechanism for trading and subscribing traded Rights:

### 13.8 Questions and answers about Rights

#### What are Rights?

are negotiable securities that give the holder the right to subscribe to the new shares offered upon the adoption of the capital increase, a right acquired by all shareholders that own the shares on the day of the extraordinary General Assembly on the increase of capital and which are entered in the company's shareholders' registry at the Depositary Centre by the end of the second trading day following the date of the extraordinary General Assembly. Each right entitles its holder to subscribe for one share, at the offering price.

#### To whom are Rights granted?

For all shareholders registered in the company's shareholders register at the end of the second trading day following the date of the extraordinary general assembly.



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### When are Rights deposited?

After the extraordinary General Assembly and its approval of capital raising through the offering of Rights shares, shareholders register with the Depository Centre by the end of the second trading day after the extraordinary General Assembly. Shares in their portfolios shall appear under a new Rights code. Trading or subscription of these rights shall be permitted only at the beginning of the trading and subscription periods.

### How is the investor notified of the Rights by depositing the rights in the portfolio?

Notification is made by advertising at a trading site as well as by the service (Tadalati) provided by the Securities Depository Center Company and SMS sent through brokerage companies.

### How many Rights shall the registered shareholder have?

The number depends on the percentage of what each shareholder owns in the capital, according to the company's shareholders register at the Depository Center at the end of the second trading day after the Extraordinary General Assembly.

### What is the coefficient of eligibility?

The coefficient by which registered shareholders can determine the number of Rights owed to them against the shares they own by the end of the second trading day after the extraordinary General Assembly and calculated by dividing the number of new shares by the number of existing shares of the company. Thus, the eligibility factor is (7.20) a right of approximately every single share (1) owned by the enrolled shareholder at the date of eligibility and, accordingly, if a enrolled shareholder owns (1,000) shares on the date of the receivable, 7,200 shares shall be allocated to him.

### Will the name and symbol of trading these rights differ from the name and symbol of the company's shares?

Yes, as the acquired right shall be added to the investors' portfolios under the name of the original share, and by adding the word Rights, in addition to a new symbol for these rights.

### What is the value of the right at the beginning of its trading?

The opening price of the right shall be the difference between the closing price of the company's share on the day prior to listing the right and the offering price (the right's indicative value). For example, if the closing price of the company's share on the previous day was (15) Saudi riyals, and the offer price was (10) Saudi riyals, then the opening price of the right shall be (5) Saudi riyals.

### Who is the enrolled shareholder?

Any shareholder who appears in the company's shareholder register at the end of the second trading day after the extraordinary general assembly.



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### **Can listed shareholders subscribe to additional shares?**

Yes, registered shareholders can subscribe to additional shares by purchasing new rights through the market during the trading period.

### **Is it possible for a shareholder to lose his eligibility to subscribe even if he has the right to attend the extraordinary general assembly and vote on raising the capital by offering rights shares?**

Yes, the shareholder loses his eligibility to subscribe if he sells his shares on the day of the extraordinary general meeting or one working day before it.

### **How is the subscription process?**

Subscription requests are submitted through the investment portfolio on the trading platforms through which buy and sell orders are entered, in addition to the possibility of subscribing through any other means provided by the broker to investors and the custodian of shares.

### **Can an Eligible Person subscribe to more shares than the rights owned by him?**

An Eligible Person cannot subscribe to more shares than the rights owned by him.

### **In the event that the company's shares are owned by more than one investment portfolio, in which portfolio are the Rights deposited?**

The Rights shall be deposited in the same portfolio in which the shares of the company associated with the rights are deposited. For example, if a shareholder owns (1,000) shares in the company as follows (800) shares in a portfolio (a) and (200) shares in a portfolio (b), the total rights to be deposited (7,200) are a right as each share (7.20) has a right. Accordingly, (5,760) rights shall be deposited in portfolio (A) and (1,440) rights in portfolio (B).

### **Do share certificate holders have the right to subscribe and trade?**

Yes, holders of stock certificates are entitled to subscription, but they shall only be able to trade after the certificates are deposited in electronic wallets through the receiving entities or the Securities Depository Center Company ("Deposit"), and to bring the necessary documents.

### **Can someone who bought additional rights trade them again?**

Yes, he has the right to sell them and buy other rights during the trading period only.

### **Is it possible to sell part of the Rights?**

Yes, the investor can sell part of these rights and subscribe to the remaining part.

### **When can a shareholder subscribe to the Rights that he purchased during the rights trading period?**

After the end of the rights purchase settlement (which is two working days), the Rights must be subscribed to during the subscription period.



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### **Can the holder of the Rights sell or assign the right after the expiry of the trading period?**

No, it can't. After the expiry of the trading period, only the right holder shall have the right to exercise the right to subscribe for the Rights shares or not to exercise that. In the event that the right is not exercised, the investor may be subject to a loss or decrease in the value of his investment portfolio, or profit in the event of selling the shares during the remaining offering period at a price higher than the offering price.

### **What happens to the Rights that have not been sold or subscribed to during the trading period and the subscription stage?**

In the event of non-subscription of all the new shares during the subscription period, the remaining new shares shall be offered for subscription organized by the subscription manager, and the compensation value (if any) is calculated for the rights holder after deducting the subscription price. Note that the investor may not receive any consideration if the sale is made during the remaining offering period at the offering price.

### **Who has the right to attend the Extraordinary General Assembly and vote on increasing the company's capital through a rights issue?**

A shareholder who is registered with the Depositary Centre after the end of the unusual General Assembly Day trading day is entitled to attend the extraordinary General Assembly and vote to increase the Company's capital by offering Rights shares.

### **When shall the share price be adjusted as a result of the company's capital increase through a rights issue?**

The share price is adjusted by the market before the start of trading on the day following the day of the Extraordinary General Assembly.

### **If an investor purchases securities on the day of the assembly, is he entitled to obtain the Rights resulting from the increase in the issuer's capital?**

Yes, since the investor shall be registered in the company's shareholders register two working days after the date of purchase of shares (i.e. the end of the second trading day following the day of the extraordinary General Assembly), knowing that Rights shall be granted to all shareholders on the company's shareholders register by the end of the second trading day following the date of the extraordinary General Assembly. However, it shall not be entitled to attend or vote in the extraordinary general assembly of the capital increase.





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### **If an investor has more than one portfolio with more than one broker, how will their Rights be calculated?**

The investor's shares will be distributed to their portfolios according to the percentage of shareholding in each portfolio. In the event of share fractions, these fractions will be aggregated. If the outcome is an integer or more, the integer number will be added to the portfolio in which the investor has the largest number of Rights.

### **What are the trading and subscription periods?**

The investor's share shall be distributed to the portfolios owned by the investor, depending on the ownership ratio in each portfolio. If there are fractures, those fractures shall be collected. If you complete one or more valid numbers, the correct number shall be added to the portfolio in which the investor has the largest amount of rights.

### **Is it possible to subscribe during the weekend?**

No, it can't.

### **Can the general investors who are not registered shareholders subscribe to the rights shares?**

Yes, after completing the purchase of the Rights during the trading period.

### **Additional help:**

In case of any inquiries, please contact the Company on email [info@dwf.com.sa](mailto:info@dwf.com.sa)). For legal reasons, the Company shall only be able to provide the information contained in this prospectus and shall not be able to advise on the merits of the issuance of rights or even provide financial, tax, legal or investment advice.

The trading and subscription of rights begins at the same time until the end of trading on the sixth day, while for more information on the terms, conditions and instructions for subscription, please see section (13) "Information related to shares and the terms and conditions of the offering" and the rest of the information contained in this prospectus.

### 13.9 Decisions and approvals under which the shares shall be offered

The Board of Directors of the Company recommended at its meeting held on 05/05/1443 AH (corresponding to 09/12/2021) increased the company's capital by (720%), from thirty million (Saudi riyals 30,000,000) to two hundred and forty-six million (Saudi riyals 246,000,000), thus increasing the number of shares from three million (3,000,000) ordinary shares to twenty-four million and six hundred thousand (24,600,000) ordinary shares, by offering twenty-one million and six hundred thousand Rights shares (21,600,000) new common stock, valued at two hundred and sixteen million (216,000,000) Saudi riyals, after obtaining all necessary regulatory approvals and the approval of the extraordinary General Assembly.

On the date of xx/xx/xxxxH (corresponding to xx/xx/xxxxG), the extraordinary General Assembly of the company's shareholders approved an increase in the company's capital by (720%), from Saudi riyals 30 million (30,000,000) to Saudi riyals 2 million and forty-six million (Saudi riyals 246,000,000), thus increasing the number of shares from three million (3,000,000) ordinary shares to twenty-four million and six hundred thousand (24,600,000) ordinary shares, by offering twenty-one million and six hundred thousand Rights shares (21,600,000) new common stock, worth two hundred sixteen million (216,000,000 Saudi riyals).

The Saudi Exchange (Tadawul) has approved the request to list the new shares on xx/xx/xxxxH (corresponding to xx/xx/xxxxG), and the publication of this prospectus and all supporting documents have also been approved. Which was requested by the Authority on the date of its announcement on the Authority's website on 16/01/1445H (corresponding to 03/08/2023G).

### 13.10 Miscellaneous Clauses

- The subscription application and all related terms, conditions and undertakings shall be binding and for the benefit of its parties, successors, assigns, wills executors, estate managers and heirs. It is required that, except as specified in this bulletin, the application or any rights, interests or obligations arising therefrom shall not be waived or delegated to any of the Parties referred to in this prospectus without the other Party's prior written consent.
- These instructions and clauses and any receipt of subscription application forms or contracts arising therefrom shall be governed by and construed in accordance with the laws of the Kingdom. This prospectus may be distributed in both Arabic and English languages, and in the event of a conflict between the Arabic text and the English text, the Arabic text of the prospectus shall prevail.

### 13.11 A statement of any arrangements in place to prevent the disposal of certain shares

There are no arrangements in place to prevent the disposal of any shares.



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### **13.12 Public or private offering in the markets of two or more countries at the same time**

Its shall not be offered in two or more international markets at the same time, as the offering shall take place in the Kingdom of Saudi Arabia only, and there is no share of the shares that has been or shall be reserved for some of these markets.

#### 14. Change in share price as a result of capital increase

The closing price of the company's extraordinary General Assembly Day stock is Saudi riyals (xx), expected to reach Saudi riyals (xx) in the opening of the following day. This change represents a decrease by (xx %). If none of the shareholders registered in the Company's shareholders register with the Deposit Centre at the end of the second trading day following the date of the extraordinary General Assembly, this shall result in a decrease in their ownership of the Company.

In the event that any of the shareholders registered in the company's shareholders register at the Depository Center fails to subscribe at the end of the second trading day following the date of the Extraordinary General Assembly, this shall lead to a decrease in their ownership percentage in the company.

**The method of calculating the share price as a result of the capital increase is as follows:**

**First: Calculating the market value of the company at closing on the day of the extraordinary general assembly**

Number of shares at the end of the day of the extraordinary general assembly x closing price of the company's shares on the day of the extraordinary general assembly = market value of the company at closing on the day of the extraordinary general assembly.

**Second: Calculating the share price at the opening day of the day following the day of the extraordinary general assembly**

The company's market value at close on the extraordinary General Assembly Day + the value of the shares offered)/( the number of shares at the end of the extraordinary General Assembly Day + the number of shares submitted for subscription) = the expected share price at the opening of the day following the extraordinary General Assembly Day.

## 15. Subscription Commitments

### 15.1 Brief about the subscription application and undertakings

Subscription can be done using the trading platforms or through any other means provided by the broker to the investors. The new shares shall be subscribed in one phase according to the following:

- 1) During this period, all registered shareholders and new investors shall be able to subscribe to the new shares.
- 2) The registered shareholder shall be able to directly subscribe to all or part of his shares during the subscription period. In the event that he purchases new rights, he may subscribe to them after the expiry of the settlement period (two working days).
- 3) New investors shall be able to subscribe to the new shares immediately after settling the purchase of rights (two business days).
- 4) Subscription shall be available electronically through the investment portfolio in the trading platforms and applications through which buy and sell orders are entered, in addition to subscribing to the channels and other means available to the broker.

Each right gives its holder the right to subscribe to one new share, at the offer price. The subscriber to the new shares acknowledges the following:

- ✓ His acceptance of all terms and conditions of subscription contained in this prospectus.
- ✓ That he has read this prospectus and all its contents, carefully studied it and understood its content.
- ✓ Acceptance of the articles of association of the company.
- ✓ Undertaking not to cancel or modify the subscription application after its implementation.

### 15.2 Provisions

rights shares are allocated to eligible persons based on the number of rights they have exercised fully and correctly. For fracture receivers, the shares shall be collected and added to the remaining shares that have not been subscribed to and submitted to the investment institutions during the remaining offering period. The total share offering price shall be paid to the company, and the remaining share sale proceeds and share fractures shall be distributed (in excess of the offer price) to its beneficiaries each as due no later than one day **\*\* \*\*/\*\*/\*\*\*\*H**(corresponding to **\*\* \*\*/\*\*/\*\*\*\*G**). If shares remain unencumbered thereafter, the cover contractors shall purchase and allocate to the remaining new shares.

Eligible persons should contact the broker through which the subscription was made to obtain any additional information. The results of the allocation shall be announced no later than the day of **\*\* \*\* \*\*/\*\*/\*\*\*\*H** (corresponding to **\*\* \*\*/\*\*/\*\*\*\*G**).

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### 15.3 Saudi Stock Exchange (Tadawul)

A trading system was established in 2001 as an alternative system to the Electronic Securities Information System, and electronic stock trading began in the Kingdom in 1990. The trading process takes place through an integrated electronic system from the execution of the transaction to the settlement of the transaction. Trade takes place every working day of the week from Sunday to Thursday from 10 am to 3 pm, during which orders are executed. Outside these times, orders may be entered, amended and cancelled from 9:30 am to 10 am.

Transactions are executed by automatically matching orders, and orders are received and prioritized according to price. Market orders are generally executed first, with orders containing the best prices, followed by fixed-price orders, and if several orders are entered at the same price, they are executed according to the timing of the entry.

The Tadawul system distributes a comprehensive range of information through various channels, most notably the Tadawul website, and market data is provided instantly to well-known information providers such as Reuters. Transactions are automatically settled within two working days depending on T + 2.

The company should disclose all decisions and information relevant to investors through the "Tadawul" system. Tadawul is responsible for monitoring the market, with a view to ensuring fair trading and efficient market operations.

### 15.4 Trading Shares in Saudi Stock Market

An application was submitted to the Authority for registration and placement of Rights shares in the Saudi stock market and an application to the financial market (Tadawul) for listing. This prospectus was approved and all requirements were met.

Registration is expected to be approved and trading in equity stocks in the Saudi stock market shall commence after the final allocation of Rights stocks is completed, which shall be announced in a timely manner on Tadawul website. The dates mentioned in this prospectus are tentative and may be changed with the approval of the CMA.

Although the outstanding shares are registered in the Saudi stock market and the company is listed in the financial market (Tadawul), the new shares can be traded only after the final allocation of shares is approved and deposited in the subscribers' portfolios. Trading in new shares is strictly prohibited before the allocation process is adopted.

The subscribers and bidders of the remaining offering who deal in these prohibited trading activities bear full responsibility for them and the company shall not assume any legal liability in this case.



## 16. Documents Available for Inspection

The following documents shall be available at the company's headquarters located in Riyadh, Yarmouk District, Dammam Highway, Postcode 13243. 7830, Saudi Arabia, during the official working days from Sunday to Thursday between 08:00 a.m. and 04:00 p.m., from the first working day after the date of the convening of the extraordinary General Assembly, that period shall not be less than 14 days prior to the meeting of the extraordinary General Assembly. These documents shall remain available for inspection until the end of the offering:

Documents for incorporation and company system:

- Commercial Register
- Articles of Association:

Approvals related to capital increase shares:

- The Board of Directors' decision to recommend a capital increase.
- A copy of the announcement of the Capital Market Authority's approval of the rights issue.
- The approval of the Saudi Exchange (Tadawul) to list the rights issue shares.

### Reports, letters and documents:

- Subscription agreement and subscription management agreement.
- Written consents by the financial advisor, lead manager, underwriter, legal advisor and chartered accountants to use their names, logos and statements in the prospectus.
- Study the economic feasibility of using the proceeds of the offering.