

A'SAFFA FOODS SAOG

**CONSOLIDATED AND PARENT COMPANY'S
(SEPARATE) FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

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Independent auditors' report

To the Shareholders of A' Saffa Foods SAOG

Report on the Audit of the Consolidated and Parent Company (Separate) Financial Statements

Opinion

We have audited the consolidated and parent company (separate) financial statements of A' Saffa Foods SAOG ("the Parent Company") and its subsidiary ("the Group"), which comprise the consolidated and parent company (separate) statement of financial position as at 31 December 2025, the consolidated and parent company (separate) statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and parent company (separate) financial statements present fairly, in all material respects, the consolidated and unconsolidated financial position of the Group and Parent Company as at 31st December 2025, and their consolidated and unconsolidated financial performance and their consolidated and unconsolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated and Parent Company (separate) Financial Statements* section of our report. We are independent of the Parent Company and Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated and parent company (separate) financial statements of public interest entities in the Sultanate of Oman. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Valuation of Biological assets

See Note 2 and 17 to the consolidated and parent company (separate) financial statements.

The key audit matter	How the matter was addressed in our audit
<p>As at 31 December 2025, the Group had biological assets, comprising breeder birds, hatchery eggs and broiler birds (the "biological assets") with a carrying amount of RO 2.8 million.</p> <p>IAS 41 Agriculture requires biological assets to be measured at fair value less cost to sell. IAS 41 allows entities not to measure biological assets at fair value less costs to sell where quoted market prices are not available and alternative fair value measurements are determined to be clearly unreliable.</p> <p>Management measures the carrying amount of breeder birds by amortizing the total costs incurred during the rearing phase over the anticipated productive cycle due to the short rearing phase which is 25 weeks. There is no active market for breeder birds in Oman and no reliable fair value measurements have been identified by management.</p> <p>Hatchery eggs and broiler birds are valued at their fair value less cost to sell after considering various estimates relating to market prices of poultry at various points, estimated costs until the date of hatching and slaughter of birds, mortality rates, hatchability rates and processing loss.</p> <p>The assessment of the quantity of breeder, broiler birds and eggs at the reporting date requires management to make estimates to arrive at the closing quantity at the end of reporting period.</p> <p>We considered this to be a key audit matter because of the significant management estimates made and judgments applied in assessing the carrying amount and fair value of biological assets.</p> <p>Refer to notes 2 and 17 of the consolidated and parent company (separate) financial statements for the accounting policies and critical judgements.</p>	<p>Our audit procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> Obtained an understanding of the biological assets life cycle and processes followed. Performed an assessment of the design and implementation of relevant controls related to the valuation of biological assets. Assessed the methodology used by the Parent Company to determine the carrying amounts of broiler birds and hatchery eggs and tested on a sample basis the inputs/assumption/estimates used by the Parent Company including the production cycle, mortality rates, hatchability rates, process loss and market prices of fertilized egg and poultry at various points by comparing them with actual historical outcomes and past trends of such inputs/assumptions and estimates. We agreed the costs incurred related to breeder birds during the rearing phase to supporting documentation on a sample basis. We assessed both the method of amortization and the period of amortization of the costs capitalized to breeder birds. Agreed the results of management's determination of the carrying amounts of the biological assets to the amounts reported in the financial statements. With respect to the quantities of eggs, breeder and boiler birds, we have obtained an understanding and assessed the methodology used by management to determine the number of birds and eggs at the reporting date. <p>Assessed the disclosures in the consolidated and parent company (separate) financial statements related to biological assets in accordance with the requirement of relevant accounting standards.</p>

Other Information

Management is responsible for the other information. The other information comprises the Board of Directors' Report, the Corporate Governance Report and Management Analysis Review but does not include the consolidated and parent company (separate) financial statements and our Auditors' report thereon.

Our opinion on the consolidated and parent company (separate) financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and parent company (separate) financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and parent company (separate) financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Parent Company (Separate) Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and parent company (separate) financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the relevant requirements of the Financial Services Authority and the applicable provisions of the Commercial Companies Law of 2019, and for such internal control as management determines is necessary to enable the preparation of consolidated and parent company (separate) financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with Governance are responsible for overseeing the Group's and the Parent Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated and Parent Company (Separate) Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Auditors' Responsibilities for the Audit of the Consolidated and Parent Company (Separate) Financial Statements (continued)

- Identify and assess the risks of material misstatement of the consolidated and parent company (separate) financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and parent company (separate) financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and parent company (separate) financial statements, including the disclosures, and whether the consolidated and parent company (separate) financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and parent company (separate) financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

Further, we report that the consolidated and parent company (separate) financial statements as at and for the year ended 31 December 2025, comply, in all material respects, with the:

- relevant requirements of the Financial Services Authority; and
- applicable provisions of the Commercial Companies Law of 2019.

Mobeen Chaudhri
17 February 2026



A'SAFFA FOODS SAOG

CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Parent Company		Group	
		2025	2024	2025	2024
		<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Revenue from contracts with customers	3	58,232,606	63,658,416	57,049,637	62,644,151
Cost of sales	4	(41,460,886)	(48,239,968)	(39,127,660)	(46,141,880)
Gross profit		16,771,720	15,418,448	17,921,977	16,502,271
Dividend income	34	-	540,000	-	-
Selling and distribution expenses	5	(6,314,232)	(6,202,833)	(6,314,232)	(6,202,833)
Administrative and general expenses	6	(2,655,209)	(2,731,154)	(2,896,414)	(2,987,380)
Impairment (loss) / Reversal on financial assets	29(b)	(34,751)	9,824	(34,751)	9,824
Other income		1,069,369	1,317,942	1,081,209	1,326,732
Operating profit		8,836,897	8,352,227	9,757,789	8,648,614
Finance income	8	179,252	202,404	179,252	202,404
Finance costs	8	(2,495,588)	(2,695,060)	(2,533,166)	(2,735,858)
Net finance costs	8	(2,316,336)	(2,492,656)	(2,353,914)	(2,533,454)
Fair value gain / (loss) on financial assets at fair value through profit and loss	15	1	(430)	1	(430)
Share of profit of equity - accounted investee (net of tax)	14	953,142	718,700	953,142	718,700
Profit before income tax		7,473,704	6,577,841	8,357,018	6,833,430
Income tax expense	9	(1,022,934)	(855,504)	(1,189,030)	(931,692)
Profit for the year		6,450,770	5,722,337	7,167,988	5,901,738
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		6,450,770	5,722,337	7,167,988	5,901,738
Profit per share:					
Basic and Diluted earnings per share	31	0.0538	0.0477	0.0597	0.0492

The accompanying notes on pages 10 to 61 form an integral part of these consolidated and parent company's (separate) financial statements.

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A'SAFFA FOODS SAOG

CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	Parent Company		Group	
		2025	2024	2025	2024
		<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
ASSETS					
Non-current assets					
Property, plant and equipment	10	56,338,910	55,240,887	59,940,950	59,081,531
Right of use assets	11	3,706,252	4,034,564	4,005,830	4,347,933
Intangible assets	12	1	1	1	1
Investments in subsidiary	13	1,350,000	1,350,000	-	-
Equity-accounted investee	14	7,062,140	6,108,998	7,062,140	6,108,998
Financial assets at fair value through profit or loss	15	45,796	45,795	45,796	45,795
Total non-current assets		68,503,099	66,780,245	71,054,717	69,584,258
Current assets					
Inventories	16	15,695,856	11,696,241	16,905,329	12,767,647
Biological assets	17	2,886,672	3,029,011	2,886,672	3,029,011
Trade and other receivables	18	13,440,526	14,009,880	14,284,606	14,384,310
Term deposits	19	3,300,000	3,300,000	3,300,000	3,300,000
Cash and cash equivalents	20	765,227	941,871	1,077,900	1,029,295
Total current assets		36,088,281	32,977,003	38,454,507	34,510,263
TOTAL ASSETS		104,591,380	99,757,248	109,509,224	104,094,521
EQUITY AND LIABILITIES					
Equity					
Share capital	21	12,000,000	12,000,000	12,000,000	12,000,000
Legal reserves	22	4,000,000	4,000,000	4,566,804	4,566,804
Retained earnings		31,610,535	27,559,765	35,694,403	30,926,415
Other reserve	23	(2,431,642)	(2,431,642)	(2,431,642)	(2,431,642)
TOTAL EQUITY		45,178,893	41,128,123	49,829,565	45,061,577
LIABILITIES					
Non-current liabilities					
Borrowings	24	28,717,943	31,939,443	28,717,943	31,939,443
Lease liabilities	25	3,661,932	3,987,195	3,995,122	4,325,987
End of service benefits	26	1,682,323	1,532,169	1,809,863	1,649,967
Deferred tax liabilities	9	1,363,651	1,234,116	1,535,530	1,412,231
Total non-current liabilities		35,425,849	38,692,923	36,058,458	39,327,628
Current liabilities					
Borrowings	24	11,574,802	6,907,379	11,574,802	7,027,732
Lease liabilities	25	312,109	299,433	325,591	307,739
Tax payable	9	1,194,981	448,198	1,342,708	551,905
Trade and other payables	27	10,904,746	12,281,192	10,378,100	11,817,940
Total current liabilities		23,986,638	19,936,202	23,621,201	19,705,316
TOTAL LIABILITIES		59,412,487	58,629,125	59,679,659	59,032,944
TOTAL EQUITY AND LIABILITIES		104,591,380	99,757,248	109,509,224	104,094,521
Net assets per share	33	0.376	0.342	0.415	0.376

The financial statements on pages 6 to 61 were approved and authorised for issue in accordance with a resolution of the Board of Directors on 17 Feb 2026


Chairman


Director

The accompanying notes on pages 10 - 61 form an integral part of these consolidated and parent company's (separate) financial statements.

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A'SAFFA FOODS SAOG

**CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) STATEMENT OF CHANGES
IN EQUITY
AS AT 31 DECEMBER 2025**

	Share Capital	Legal reserves	Retained Earnings	Other reserve	Total equity
Parent Company:					
At 1 January 2024	12,000,000	4,000,000	23,037,428	(2,431,642)	36,605,786
Total comprehensive income for the year	-	-	5,722,337	-	5,722,337
Dividend paid	-	-	(1,200,000)	-	(1,200,000)
At 31 December 2024	12,000,000	4,000,000	27,559,765	(2,431,642)	41,128,123
Group:					
At 1 January 2024	12,000,000	4,558,548	26,232,933	(2,431,642)	40,359,839
Total comprehensive income for the year	-	-	5,901,738	-	5,901,738
Dividend Paid	-	-	(1,200,000)	-	(1,200,000)
Transfer to legal reserve	-	8,256	(8,256)	-	-
At 31 December 2024	12,000,000	4,566,804	30,926,415	(2,431,642)	45,061,577
Parent company:					
At 1 January 2025	12,000,000	4,000,000	27,559,765	(2,431,642)	41,128,123
Total comprehensive income for the year	-	-	6,450,770	-	6,450,770
Dividend paid	-	-	(2,400,000)	-	(2,400,000)
At 31 December 2025	12,000,000	4,000,000	31,610,535	(2,431,642)	45,178,893
Group:					
At 1 January 2025	12,000,000	4,566,804	30,926,415	(2,431,642)	45,061,577
Total comprehensive income for the year	-	-	7,167,988	-	7,167,988
Dividend paid	-	-	(2,400,000)	-	(2,400,000)
Transfer to legal reserve	-	-	-	-	-
At 31 December 2025	12,000,000	4,566,804	35,694,403	(2,431,642)	49,829,565

The accompanying notes on pages 10 to 61 form an integral part of these consolidated and parent company's (separate) financial statements.

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**CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Parent Company		Group	
	2025	2024	2025	2024
Operating activities				
Profit before taxation	7,473,704	6,577,841	8,357,018	6,833,430
Adjustment for:				
Depreciation on property, plant and equipment	3,410,703	3,318,597	3,702,153	3,604,279
Depreciation on right of use assets	195,040	248,762	207,514	261,234
Amortization	-	188	-	188
(Reversal)/ Impairment loss on financial assets	34,751	(9,824)	34,751	(9,824)
Finance income	(179,252)	(202,404)	(179,252)	(202,404)
Finance expense	2,495,588	2,695,060	2,533,166	2,735,858
Dividend income	-	(540,000)	-	-
Gain on disposal of property, plant and equipment	(15,133)	(6,984)	(15,133)	(12,395)
Share of profit of equity accounted investee	(953,142)	(718,270)	(953,142)	(718,270)
Accruals of end of service benefits	235,000	244,100	246,047	280,857
	12,697,259	11,607,066	13,933,122	12,772,953
Income tax paid	(146,615)	(77,066)	(274,925)	(187,037)
Payment of end of service benefits	(84,846)	(42,472)	(86,150)	(43,653)
	12,465,798	11,487,528	13,572,047	12,542,263
Working capital changes:				
Inventories	(3,999,615)	1,922,097	(4,137,682)	1,698,759
Biological assets	142,339	125,022	142,339	125,022
Trade and other receivables	534,603	(252,333)	64,953	(265,123)
Trade and other payables	(1,370,843)	3,301,997	(1,432,922)	3,080,074
Net cash generated from operating activities	7,772,282	16,584,311	8,208,735	17,180,995
Cash flows from investing activities				
Acquisition of property, plant and equipment	(4,730,388)	(2,617,026)	(4,783,235)	(2,709,453)
Placement of term deposit	-	-	-	-
Disposal of right of use of asset	133,272	-	133,272	-
Dividend received	-	540,000	-	-
Proceeds from disposal of property, plant and equipment	23,337	18,922	23,337	24,333
Finance income received	179,252	202,404	179,252	202,404
Net cash flows used in investing activities	(4,394,527)	(1,855,700)	(4,447,374)	(2,482,716)
Cash flows from financing activities				
Lease payments	(382,343)	(343,042)	(395,825)	(372,546)
Repayment of term loans	(3,765,553)	(1,972,777)	(3,898,962)	(2,126,458)
Net movement of short term loans	4,270,425	(7,781,708)	4,270,425	(7,781,708)
Dividend paid	(2,400,000)	(1,200,000)	(2,400,000)	(1,200,000)
Finance cost paid	(872,017)	(2,530,970)	(883,483)	(2,549,362)
Net cash used in financing activities	(3,149,488)	(13,828,497)	(3,307,845)	(14,030,074)
Net change in cash and cash equivalents	228,267	900,114	453,516	668,205
Cash and cash equivalent as at 1 January	536,960	(363,154)	624,384	(43,821)
Cash and cash equivalent as at 31 December	765,227	536,960	1,077,900	624,384
Cash and cash equivalent comprise:				
Bank overdrafts (note 24)	-	(404,911)	-	(404,911)
Cash on hand and at bank (note 20)	765,227	941,871	1,077,900	1,029,295
	765,227	536,960	1,077,900	624,384

Reconciliation of liabilities arising from financing activities in long term loans (note 20.1)

The accompanying notes on pages 10 to 61 form an integral part of these consolidated and parent company's (separate) financial statements.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1 Legal status and principal activities

A'Saffa Foods SAOG ("the Company" or "Parent company") is an Omani joint stock company registered in the Sultanate of Oman on 30 December 2001 under the commercial registration no. 2/16733/6. The Company commenced commercial operations on 1 July 2004. The Company is engaged in manufacturing and distribution of poultry meat.

On 25 May 2011, the Parent company incorporated a company in Sultanate of Oman, A'Saffa Food Processing SPC ('A'Saffa Processing') with a registered share capital of RO 1,350,000. A'Saffa Processing registered in Sultanate of Oman as a limited liability company, is a wholly owned subsidiary of the Company. A'Saffa Processing is engaged in manufacturing and distribution of meat, vegetables and fruit products and it started its operations in 2013.

On 17 September 2014, the Parent company incorporated a company in Sultanate of Oman, A'Saffa Logistics LLC ('A'Saffa Logistics') with an initial registered share capital of RO 1,600,000. A'Saffa Logistics registered in Sultanate of Oman as a limited liability company, was a wholly owned subsidiary of the Company. A'Saffa Logistics was engaged in storage and providing logistical support services. The shareholders of the Company in the Extra Ordinary General Meeting dated 13th April 2023 agreed to merge A'Saffa Logistics LLC in the Parent Company from 1st July 2023.

The consolidated financial statements comprise the Parent company and its subsidiary A' Saffa Processing, the details of which are set out above (together referred to as 'the Group'). The separate financial statements represent the financial statements of the Parent company on a standalone basis. The consolidated and separate financial statements are collectively referred to as 'the financial statements'.

2 Basis of preparation and material accounting policies

2.1 Basis of preparation

(a) *Statement of compliance*

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). These financial statements also comply with the applicable requirements of the Commercial Companies Law of 2019 of the Sultanate of Oman and the rules and guidelines issued by the Financial Services Authority.

(b) *Basis of measurement*

The financial statements are prepared under the historical cost convention except for financials assets measured at fair value through profit or loss, and biological assets measured at fair value except for Breeder birds.

(c) *Functional and presentation currency*

The accounting records are maintained in Omani Rial (﷮), which is the functional and presentation currency for the financial statements.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 Basis of preparation and material accounting policies (continued)

2.1 Basis of preparation (continued)

(d) New and amended standards adopted by the parent and the Group

A number of new standards, amendments to standards and interpretations are effective for the periods beginning on or after 1 January 2025. Those, which are relevant to these financial statements, are set out below.

Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates relating to Lack of Exchangeability

(e) New standards and interpretations not yet adopted

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

	Effective for annual years beginning on or after
<u>New accounting standards or amendments</u>	
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures	Available for optional adoption / effective date deferred indefinitely

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 Basis of preparation and material accounting policies (continued)

2.1 Basis of preparation (continued)

(f) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires the directors and management to make judgements, estimates and assumptions, including climate related risks and opportunities that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The areas where accounting assumptions and estimates are significant to the financial statements are disclosed in notes below and also in the relevant notes to the financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively.

The critical accounting estimates and judgements are set out below.

(i) Useful lives of property, plant, and equipment

The Group's directors and management determine the estimated useful lives of its property, plant, and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Directors and management review the residual value and useful lives annually and future depreciation charges would be adjusted where the directors and management believe the useful lives differ from previous estimates.

(ii) Valuation of biological assets

The valuation of biological assets requires the use of estimates by the directors and management. Directors and management use their judgement to select an appropriate valuation methodology and make assumptions that are based on market conditions existing at each reporting date. Refer note 17 for details.

(iii) Leases

Directors and management estimate and judgement are primarily required in determining the lease term and the incremental borrowing rate in the leases.

In determining the lease term, directors and management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). In determining the option to purchase, the group has determined that it is practically not viable to opt for the purchase option and exercise it, given the operations of company are different from the knowledge required to operate the leased equipment

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 Basis of preparation and material accounting policies (continued)

2.1 Basis of preparation (continued)

(f) Use of estimates and judgements (continued)

(iii) Leases (continued)

At inception or on reassessment of a contract that contains a lease component, the group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of solar plant in which it is a lessee, the group has elected not to separate non-lease components (variable lease payment related to operation and maintenance fees) and accounted for the lease and non-lease components as a single lease component.

In-substance fixed payments are payments that are structured as variable lease payments, but which – in-substance are unavoidable. In determining the in substance fixed payment, the group has evaluated the probability of different variable lease payments options for operation and maintenance fees of solar plant and determined that there is only one likely outcome for the payment of operation and maintenance which has been based on the prior trend and future expectation, and accordingly it has been taken as the in-substance fixed payments. The remaining lease payment options for operation and maintenance fees have no genuine possibility of occurring.

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of storage house that have a lease term of 12 months or less and leases of low-value assets. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received or specific quotes obtained from commercial lenders by the lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, or in case no quote could be obtained from a commercial lender; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

(iv) Impairment of financial assets

The impairment provisions for financial assets are assessed based on the “Expected Credit Loss” model, using assumptions about risk of default and expected loss rates. The Directors and management use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies

The Group has consistently applied the followings accounting policies to all periods presented in the financial statements, except if mentioned otherwise.

(a) Basis of consolidation

(i) Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (including structured entities) and its subsidiaries. Subsidiary is an entity over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the group, fair value of any asset or liability resulting from a contingent consideration arrangement, and fair value of any pre-existing equity interest in the subsidiary.

A'SAFFA FOODS SAOG

NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

(a) Basis of consolidation (continued)

(i) Consolidation (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability.

Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary
- derecognises the carrying amount of any non-controlling interests
- derecognises the cumulative translation differences recorded in equity
- recognises the fair value of the consideration received
- recognises the fair value of any investment retained
- recognises any surplus or deficit in profit or loss
- reclassifies the Parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

A listing of Group' subsidiaries is disclosed in note 13.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Investment in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries. The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost which includes transactions cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The profit and loss reflect the Group's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the profit and loss. The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as 'Share of results of associates' in the profit and loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit and loss. Refer note 15.

(iii) Investment in subsidiary

Investment in subsidiary in the Parent company financial statements are carried at cost less impairment, if any.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

(a) Basis of consolidation (continued)

(iv) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(b) Foreign currency

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using Rial Omani which is the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Rial Omani which is the Company's functional and the Group's presentation currency.

(ii) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

(c) Financial instruments

Financial assets

(i) Classification

The Group on initial recognition classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair values (either through other comprehensive income (FVOCI), or through profit or loss (FVTPL), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The Group reclassifies these financial assets, when and only when its business model for managing those financial assets changes.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction cost for financial assets carried at FVTPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its financial assets:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

A'SAFFA FOODS SAOG

NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

(c) Financial instruments (continued)

Financial assets (continued)

(iii) Measurement (continued)

Debt instruments (continued)

Fair value through other comprehensive income; Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive statement. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the statement of profit or loss.

Fair Value through profit or loss; Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments at FVOCI

For assets measured at fair value, gains and losses will either be recorded in OCI (other comprehensive income). The Group's equity investment is not held for trading and is valued at its fair value with any gains or losses recorded through OCI based on an irrevocable election made by the management at the time of the initial recognition of the investment. The Group subsequently measures equity investments at fair value. Where the management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. On disposal of this equity investment any related balance within the FVOCI reserve is reclassified to retained earnings. Dividends from such investments continue to be recognised in profit or loss as other income when the Group and Parent Company's right to receive payments is established.

(iv) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

(c) Financial instruments (continued)

Financial assets (continued)

(v) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its financial instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Other financial assets at amortised cost include term deposits, cash and cash equivalents, due from related parties and other receivables which are also subject to the impairment requirements of IFRS 9 and on which expected credit loss is calculated based on a staging approach.

(d) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

(e) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, cash at bank and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet. Deposits which have a maturity beyond three months are classified as term deposits on the "Statement of Financial Position".

(f) Borrowings

Interest-bearing term loans are recognised initially at fair value less attributable costs such as loan arrangement fee. Subsequent to initial recognition, interest-bearing term loans are stated at amortised cost with any difference

A'SAFFA FOODS SAOG

NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

(f) Borrowings (continued)

between cost and redemption value being recognised in profit and loss over the expected period of term loans on an effective interest rate basis.

Term loans are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

(g) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment loss if any. The cost of property, plant and equipment is their purchase price together with any incidental expenses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives of items of property, plant and equipment. The estimated useful lives are as follows:

Buildings and improvements on leasehold land	20 - 30 years
Motor vehicles	5 years
Bore wells	20 years
Plant and machinery	20 years
Furniture and fittings	3 years
Office equipment	6.5 years
Porta cabins	20 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount it is written down immediately to its recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amounts are recognised within 'other operating income' and are taken into account in determining operating profit.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

(h) Property, plant and equipment (continued)

Land is not depreciated as it is deemed to have an indefinite life.

Capital work-in-progress is stated at cost. When commissioned, capital work-in-progress is transferred to the appropriate property, plant and equipment category and depreciated in accordance with the Group's policy.

Borrowing cost to finance the construction of the qualifying assets are capitalised, during the period that is required to complete and prepare the asset for its intended use.

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time that the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific term loans pending their expenditure on qualifying assets is deducted from the cost of those assets. All other borrowing costs are recognised as expenses in the period in which they are incurred.

(j) Intangible assets

Acquired computer software are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Intangible assets have a finite useful life and are carried at cost less accumulated amortisation. Costs are amortised over their estimated useful life of five years.

(k) Biological assets

Biological assets include poultry for livestock of breeder chicken, hatchable eggs and broiler birds. Biological assets, except breeder chicken, are measured at fair value less cost to sell.

The valuation of the Breeder chicken is determined on the following basis:

Breeder birds are used for captive consumption, it is uncommon to be sold before the end of its useful life and as such, there is no active market for the Company's useful breeding stock. Other references to market prices such as market prices for similar assets are also not available due to the uniqueness of the breed. Valuation based on a discounted cash flow method is considered to be unreliable given the uncertainty with respect to mortality rates and production. Consequently, breeder birds are measured at cost which includes feeds, medical and the portion of the overheads, less amortization and impairment losses (if any).

Breeder birds are depreciated over the production cycle which is estimated to be nine to ten months on average based on anticipated output month to month.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

(k) Biological assets (continued)

Broiler chicken and hatchable eggs are stated at fair value less estimated selling cost. Cost of sell include all cost that would be necessary to sell the assets. Gain and losses arising on the initial recognition of broiler birds and hatchable eggs at fair value less estimated point of sale costs and from a change in fair value less estimated point-of-sale costs are recognised in the statement of profit or loss in the period in which they arise.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition. The cost of raw materials and consumables and goods for resale is based on weighted average method and consists of direct costs of materials and related overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Provision is made where necessary for obsolete, slow moving and defective items, based on management's assessment.

Agriculture produce harvested from biological assets are measured at fair value less cost to sell at the point of harvest.

(m) Leases

(i) Group as a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the

remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payments that are based on an index or a rate,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

(m) Leases (continued)

(i) Group as a lessee (continued)

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

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less. The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. The lease term is considered to be the non-cancellable period for which the Group has the right to use an underlying asset. The lease term is adjusted for periods covered by an option to extend; if it is reasonably certain that the option will be exercised as well as periods covered by an option to terminate the lease; if it is reasonably certain that the option will not be exercised.

(ii) The Group as a lessor

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to the ownership of an underlying asset. Lease payments from operating lease are recognised as income on a straight-line basis unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. Costs incurred in earning the lease income, including depreciation are recognised as an expense. Initial direct cost incurred in obtaining lease, are added to the carrying amount of the underlying asset and recognised as an expense over the lease term on the same basis as the lease income. Modification to an operating lease is accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued leased payments relating to the original lease as part of the lease payments for the new lease. The respective leased assets are included in the balance sheet based on their nature.

(n) Income tax

Income tax on the results for the year comprises current and deferred tax.

Current tax recognised in the statement of profit or loss is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years except for items recognised directly in equity or in OCI.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

(n) Income tax (continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that:
 - is not a business combination; and
 - at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences.
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(o) Provisions

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A'SAFFA FOODS SAOG

NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

(p) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, biological assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets. Impairment losses are recognised in the profit and loss statement unless it reverses a previous revaluation that was credited to equity, in which case it is charged to equity. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units and then, to reduce the carrying amounts of the other assets in cash-generating units on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(q) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue from contracts with customers

The Group's principal activities are sale and distribution of poultry meat, vegetables and fruit pulps in Oman and providing storage and logistical support services.

(i) Sale of goods

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has concluded that it is the principal in its all revenue arrangements because it typically controls the goods or services before transferring them to the customer. Revenue from sale and distribution of its products are recognised at the point in time when control of the goods are transferred and have been accepted by the customer, generally on delivery of the goods.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

(q) Revenue recognition (continued)

(ii) Service income

Revenue from rendering services are recognized over time in the pattern in which the customer simultaneously receives and benefits from the service. Parent company provides warehouses and other logistics services on rental basis.

The Company does not adjust any of the transaction prices for time value of money as the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceed one year and the sales are made with agreed credit terms which is in line with the industry practice. Transaction price is determined based on the contractual term and seldom involves any judgement.

(r) Interest income and interest expense

Interest income and interest expense are accounted for on the accrual basis using an effective interest rate method.

(s) End of services benefits

Obligations for contributions to a defined contribution retirement plan, for Omani employees, in accordance with the Omani Social Insurance Scheme, are recognised as an expense in profit and loss as incurred.

The Group's obligation in respect of non-Omani employees' terminal benefits is the amount of future benefit that such employees have earned in return for their service in the current and prior periods having regard to the employee contract and Oman Labor Law 2003, as amended.

In accordance with the provisions of IAS 19, Employee benefits, management carries an exercise to assess the present value of the Company's obligations as of reporting date, using the actuarial techniques, in respect of employees' end of service benefits payable under the Oman Labor Law. Under this method, an assessment is made of an employee's expected service life with the Company and the expected basic salary at the date of leaving the service.

(t) Directors' remuneration

The Directors' remuneration is governed as set out by the Commercial Companies Law and the rules prescribed by the Financial Services Authority and are recognised as an expense in the profit or loss statement.

A'SAFFA FOODS SAOG

NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

(u) Dividend

The Board adopts a prudent dividend policy, which complies with regulatory requirements applicable in the Sultanate of Oman. Dividend shall be distributed in accordance with Group's Memorandum of Association and shall be subject to the approval of shareholders.

Dividend distribution to the Group's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the shareholders.

(v) Earnings and net assets per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

Net assets per share is calculated by dividing the net assets attributable to ordinary shareholders of the Group by the number of ordinary shares outstanding during the year. Net assets for the purpose are defined as total equity.

(w) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors ('Board') that makes strategic decisions.

(x) Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on a number of accounting policies and methods. Where applicable, information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

A'SAFFA FOODS SAOG

NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

2 Basis of preparation and material accounting policies (continued)

2.2 Material accounting policies (continued)

(x) Determination of fair values (continued)

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

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

Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(y) Transfer of entities under common control

Common control transactions are accounted at book value on the basis that the assets/ liabilities have been transferred from one part of the Group to another. The assets and liabilities acquired or transferred are recognised or de-recognised at the carrying amounts. Accordingly, no gain or loss is recognised in the profit or loss on the transfer of such assets/ liabilities.

A'SAFFA FOODS SAOG

NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue

Revenue has been disaggregated based on the geographical region from which its derived and also based on its nature. The group drives revenue from the transfer of goods at point in time through sales of goods and services rendered revenue over time.

	Parent Company		Group	
	2025	2024	2025	2024
	<u>⌘</u>	<u>⌘</u>	<u>⌘</u>	<u>⌘</u>
Local sales	40,319,332	44,763,426	39,136,363	43,749,161
GCC sales	17,913,274	18,894,990	17,913,274	18,894,990
Total revenue	<u>58,232,606</u>	<u>63,658,416</u>	<u>57,049,637</u>	<u>62,644,151</u>

	Parent Company		Group	
	2025	2024	2025	2024
	<u>⌘</u>	<u>⌘</u>	<u>⌘</u>	<u>⌘</u>
Sales of goods	58,232,606	63,658,416	57,049,637	62,644,151
Total revenue	<u>58,232,606</u>	<u>63,658,416</u>	<u>57,049,637</u>	<u>62,644,151</u>

4 COST OF SALES

	Parent Company		Group	
	2025	2024	2025	2024
	<u>⌘</u>	<u>⌘</u>	<u>⌘</u>	<u>⌘</u>
Cost of materials consumed	30,665,204	36,752,001	26,898,717	33,216,306
Employee related costs	5,590,795	5,403,651	6,284,972	6,132,318
Depreciation on property, plant and equipment (note 10)	3,137,846	3,053,109	3,385,579	3,295,939
Depreciation on right of use assets (note 11)	186,455	112,698	198,929	125,170
Fuel expenses	1,265,582	1,810,227	1,491,086	2,020,426
Amortisation (note 12)	-	188	-	188
Others	615,004	1,108,094	868,377	1,351,533
	<u>41,460,886</u>	<u>48,239,968</u>	<u>39,127,660</u>	<u>46,141,880</u>

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

5 SELLING AND DISTRIBUTION EXPENSES

	Parent Company		Group	
	2025	2024	2025	2024
	<u>⌘</u>	<u>⌘</u>	<u>⌘</u>	<u>⌘</u>
Employee related costs	2,937,338	2,675,184	2,937,338	2,675,184
Selling and marketing costs	1,801,311	1,864,663	1,801,311	1,864,663
Rent and storage expenses	685,034	582,646	685,034	582,646
Advertisement and sales promotion	438,424	461,063	438,424	461,063
Depreciation on right of use assets (note 11)	8,585	136,064	8,585	136,064
Insurance	200,885	287,362	200,885	287,362
Depreciation on property, plant and equipment (note 10)	34,107	33,186	34,107	33,186
Communication	48,591	30,075	48,591	30,075
Other	159,957	132,590	159,957	132,590
	<u>6,314,232</u>	<u>6,202,833</u>	<u>6,314,232</u>	<u>6,202,833</u>

6 ADMINISTRATIVE AND GENERAL EXPENSES

	Parent Company		Group	
	2025	2024	2025	2024
	<u>⌘</u>	<u>⌘</u>	<u>⌘</u>	<u>⌘</u>
Employee related costs including directors' meeting fees and remuneration (note 28)	1,860,583	1,776,233	2,017,213	1,939,584
Depreciation on property, plant and equipment (note 10)	238,750	232,302	282,466	275,154
Professional and consultancy fees*	116,196	108,183	130,155	121,686
Contributions for social cause	50,000	50,000	50,000	50,000
Vehicle expenses	14,842	31,743	14,842	35,333
Registration and renewals	36,638	43,452	40,143	43,452
Business travel and meeting expenses	76,787	29,642	77,287	29,642
Communication	20,335	21,809	20,335	21,809
Printing and stationery	28,915	34,855	29,447	34,855
Repairs and maintenance	-	-	-	-
Other	212,163	402,935	234,526	435,865
	<u>2,655,209</u>	<u>2,731,154</u>	<u>2,896,414</u>	<u>2,987,380</u>

* This includes remuneration paid to auditors' for the year 2025, which amounts to ⌘ 45,700 (2024: ⌘ 37,500) for audit services and ⌘ 2,500 (2024: ⌘ 2,500) for non-assurance services, which includes audit related services amounting to, ⌘ 2,000 and ⌘ 500 for Arabic translation.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

7 EMPLOYEE RELATED COSTS

Salaries, wages and related costs included under cost of sales, selling and distribution expenses and general and administrative expenses comprise:

	Parent Company		Group	
	2025	2024	2025	2024
	<u>₤</u>	<u>₤</u>	<u>₤</u>	<u>₤</u>
Salaries, wages and other benefits	9,560,403	9,002,929	10,355,277	9,811,953
Leave salaries	448,601	473,543	485,957	511,265
Air passage	144,712	134,496	152,242	143,011
End of service benefits (note 26)	235,000	244,100	246,047	280,857
	<u>10,388,716</u>	<u>9,855,068</u>	<u>11,239,523</u>	<u>10,747,086</u>

8 FINANCE COSTS / INCOME

	Parent Company		Group	
	2025	2024	2025	2024
	<u>₤</u>	<u>₤</u>	<u>₤</u>	<u>₤</u>
<i>(a) Finance cost on Islamic financing:</i>				
- on bank overdraft	25,334	32,197	27,290	34,208
- on Islamic term loan	2,192,645	2,498,773	2,215,211	2,515,154
- on lease liabilities (note 25)	277,609	164,090	290,665	186,496
	<u>2,495,588</u>	<u>2,695,060</u>	<u>2,533,166</u>	<u>2,735,858</u>
<i>(b) Finance income on Islamic financing:</i>				
• Profit on deposits	(179,252)	(202,404)	(179,252)	(202,404)
• Finance income	(179,252)	(202,404)	(179,252)	(202,404)
• Finance costs– net	<u>2,316,336</u>	<u>2,492,656</u>	<u>2,353,914</u>	<u>2,533,454</u>

A'SAFFA FOODS SAOG

NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

9 TAXATION

(a) Reconciliation of effective tax rate

	Parent Company		Group	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Profit before Tax	7,473,704	6,577,841	8,357,018	6,833,430
Income tax @ 15%	1,121,056	986,676	1,253,553	1,025,015
Non-deductible expenses	(111,276)	(159,042)	(85,130)	(158,557)
Prior period deferred tax	424	27,791	482	27,778
Tax effect of permanent differences	-	-	7,392	-
Prior period current tax	12,730	(1,759)	12,730	(53,275)
Tax exempt revenue	-	-	-	-
Others	-	1,838	3	90,731
	<u>1,022,934</u>	<u>855,504</u>	<u>1,189,030</u>	<u>931,692</u>

(b) Statement of comprehensive income:

	Parent Company		Group	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Current tax expense				
- Current year	880,669	448,198	1,053,002	573,637
- Prior years	12,730	(1,759)	12,730	(53,275)
Deferred tax expense	129,535	409,065	123,298	411,330
	<u>1,022,934</u>	<u>855,504</u>	<u>1,189,030</u>	<u>931,692</u>
Statement of financial position:				
(a) Current tax liabilities:				
Current year	1,194,981	448,198	1,342,708	551,905
	<u>1,194,981</u>	<u>448,198</u>	<u>1,342,708</u>	<u>551,905</u>
(b) Deferred tax liabilities:				
1 January	1,234,116	825,051	1,412,231	1,000,901
Movement for the year	129,535	409,065	123,298	411,330
31 December	<u>1,363,651</u>	<u>1,234,116</u>	<u>1,535,530</u>	<u>1,412,231</u>

The tax authorities in Oman follow the legal entity concept. There is no concept of group taxation in Oman. Accordingly, each legal entity is taxable separately. The tax rate applicable to all taxable entities of the Group is 15% (2024: 15%).

A'SAFFA FOODS SAOG

NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

9 TAXATION (continued)

For the purpose of determining the tax expense for the year, the accounting results of each individual legal entity has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense.

The tax assessments of the Parent Company has been finalised till 2021 and for A 'Saffa food processing SPC (subsidiary) has been finalised till 2020. Management believes that additional tax liability if any, that may arise on the completion of the assessments for the unassessed tax years for the Parent Company and the subsidiary will not be material to the financial position of the Parent Company and Group at the end of the reporting period.

Deferred tax liabilities /(assets) have been calculated at 15% (2024: 15%). The net deferred tax liabilities comprises the following types of temporary differences:

	Parent Company		Group	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Plant and equipment qualifying for accelerated tax relief	(1,510,535)	(1,372,746)	(1,695,502)	(1,563,512)
Provisions	106,033	100,820	113,425	108,212
Lease liability	-	-	51,999	-
Right of use assets (IFRS 16)	39,485	37,810	(5,452)	43,069
Losses carried forward	-	-	-	-
	<u>(1,363,651)</u>	<u>(1,234,116)</u>	<u>(1,535,530)</u>	<u>(1,412,231)</u>

10 PROPERTY, PLANT AND EQUIPMENT

- The movement on property, plant and equipment during the year is set out on pages 35 to 38.
- Buildings in the books of Parent Company are constructed on land leased from the Ministry of Housing, Dhofar Governate with the lease ending in 2041 and which is further renewable at the option of the lessee. Buildings in the books of the subsidiary namely A' Saffa Food Processing SPC are constructed on lands leased from Public Establishment for Industrial Estates, Rusayl with leases ending in 2038 and 2050 respectively, which are further renewable at the option of the lessee. During previous year the land related to Rusayl Industrial area and Salalah novated from A' Saffa Logistic to A' Saffa Foods SAOG.
- At 31 December 2025 property plant and equipment with a carrying amount of ₹ 31.9 million (2024 ₹ 34.7 million) were pledged as security against bank financing (Refer note 24).

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**NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)**

10 PROPERTY, PLANT AND EQUIPMENT (continued)

Parent

	Buildings and improvements on leasehold land	Motor vehicles	Bore Wells	Plant and machinery	Furniture and fittings	Office equipment	Porta cabins	Capital work-in- progress	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Cost									
At 1 January 2024	46,639,588	2,268,919	431,700	31,666,767	311,448	510,725	233,113	278,970	82,341,230
Additions	-	661,384	-	26,801	1,308	45,252	-	1,882,281	2,617,026
Disposals	-	(34,300)	-	-	-	-	-	-	(34,300)
Transfer from capital work-in-progress	823,348	-	-	1,337,903	-	-	-	(2,161,251)	-
At 31 December 2024	<u>47,462,936</u>	<u>2,896,003</u>	<u>431,700</u>	<u>33,031,471</u>	<u>312,756</u>	<u>555,977</u>	<u>233,113</u>	<u>-</u>	<u>84,923,956</u>
Accumulated depreciation									
At 1 January 2024	10,541,189	1,198,936	247,657	13,401,366	308,243	495,111	194,332	-	26,386,834
Charge for the year (notes 4,5,6)	1,570,534	363,279	14,341	1,343,362	4,513	18,271	4,297	-	3,318,597
Disposal	-	(22,362)	-	-	-	-	-	-	(22,362)
At 31 December 2024	<u>12,111,723</u>	<u>1,539,853</u>	<u>261,998</u>	<u>14,744,728</u>	<u>312,756</u>	<u>513,382</u>	<u>198,629</u>	<u>-</u>	<u>29,683,069</u>
Net book value 31 December 2024	<u>35,351,213</u>	<u>1,356,150</u>	<u>169,702</u>	<u>18,286,743</u>	<u>-</u>	<u>42,595</u>	<u>34,484</u>	<u>-</u>	<u>55,240,887</u>

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**NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)**

10 PROPERTY, PLANT AND EQUIPMENT (continued)

Parent (continued)

	Buildings and improvements on leasehold land	Motor vehicles	Bore Wells	Plant and machinery	Furniture and fittings	Office equipment	Porta cabins	Capital work-in- progress	Total
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Cost									
At 1 January 2025	47,462,936	2,896,003	431,700	33,031,471	312,756	555,977	233,113	-	84,923,956
Additions	-	739,570	95,910	766,942	-	57,775	15,000	3,055,191	4,730,388
Disposals	(213,458)	(89,211)	-	(2,999)	(22,408)	(49,638)	-	-	(377,714)
At 31 December 2025	<u>47,249,478</u>	<u>3,546,362</u>	<u>527,610</u>	<u>33,795,414</u>	<u>290,348</u>	<u>564,114</u>	<u>248,113</u>	<u>3,055,191</u>	<u>89,276,630</u>
Accumulated depreciation									
At 1 January 2025	12,111,723	1,539,853	261,998	14,744,728	312,756	513,382	198,629	-	29,683,069
Charge for the year (notes 4,5,6)	1,547,789	492,363	17,336	1,324,399	-	24,404	4,412	-	3,410,703
Disposal	-	(81,101)	-	(2,940)	(22,408)	(49,603)	-	-	(156,052)
At 31 December 2025	<u>13,659,512</u>	<u>1,951,115</u>	<u>279,334</u>	<u>16,066,187</u>	<u>290,348</u>	<u>488,183</u>	<u>203,041</u>	<u>-</u>	<u>32,937,720</u>
Net book value 31 December 2025	<u>33,589,966</u>	<u>1,595,247</u>	<u>248,276</u>	<u>17,729,227</u>	<u>-</u>	<u>75,931</u>	<u>45,072</u>	<u>3,055,191</u>	<u>56,338,910</u>

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**NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)**

10 PROPERTY, PLANT AND EQUIPMENT (continued)

Group

	Buildings and improvements on leasehold land	Motor vehicles	Bore Wells	Plant and machinery	Furniture and fittings	Office equipment	Porta cabins	Capital work-in- progress	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Cost									
At 1 January 2024	49,377,241	2,312,828	431,700	35,445,353	343,330	551,875	233,113	278,970	88,974,410
Additions	25,160	683,384	-	64,690	3,689	50,249	-	1,882,281	2,709,453
Disposals	-	(50,300)	-	-	-	-	-	-	(50,300)
Transfer from capital work in progress	823,348	-	-	1,337,903	-	-	-	(2,161,251)	-
At 31 December 2024	<u>50,225,749</u>	<u>2,945,912</u>	<u>431,700</u>	<u>36,847,946</u>	<u>347,019</u>	<u>602,124</u>	<u>233,113</u>	<u>-</u>	<u>91,633,563</u>
Accumulated depreciation									
At 1 January 2024	11,468,122	1,240,322	247,657	14,966,214	338,078	531,390	194,332	-	28,986,115
Charge for the year (note 4,5,6)	1,661,882	366,401	14,341	1,531,915	5,958	19,485	4,297	-	3,604,279
Disposal	-	(38,362)	-	-	-	-	-	-	(38,362)
At 31 December 2024	<u>13,130,004</u>	<u>1,568,361</u>	<u>261,998</u>	<u>16,498,129</u>	<u>344,036</u>	<u>550,875</u>	<u>198,629</u>	<u>-</u>	<u>32,552,032</u>
Net book value 31 December 2024	<u>37,095,745</u>	<u>1,377,551</u>	<u>169,702</u>	<u>20,349,817</u>	<u>2,983</u>	<u>51,249</u>	<u>34,484</u>	<u>-</u>	<u>59,081,531</u>

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**NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)**

10 PROPERTY, PLANT AND EQUIPMENT (continued)

Group (continued)

	Buildings and improvements on leasehold land	Motor vehicles	Bore Wells	Plant and machinery	Furniture and fittings	Office equipment	Porta cabins	Capital work-in- progress	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Cost									
At 1 January 2025	50,225,749	2,945,912	431,700	36,847,946	347,019	602,124	233,113	-	91,633,563
Additions	6,972	739,570	95,910	812,484	333	57,775	15,000	3,055,191	4,783,235
Disposals	(213,458)	(89,211)	-	(2,999)	(22,408)	(49,638)	-	-	(377,714)
At 31 December 2025	<u>50,019,263</u>	<u>3,596,271</u>	<u>527,610</u>	<u>37,657,431</u>	<u>324,944</u>	<u>610,261</u>	<u>248,113</u>	<u>3,055,191</u>	<u>96,039,084</u>
Accumulated depreciation									
At 1 January 2025	13,130,004	1,568,361	261,998	16,498,129	344,036	550,875	198,629	-	32,552,032
Charge for the year (note 4,5,6)	1,639,999	497,259	17,336	1,516,054	896	26,196	4,412	-	3,702,152
Disposal	-	(81,101)	-	(2,939)	(22,407)	(49,603)	-	-	(156,050)
At 31 December 2025	<u>14,770,003</u>	<u>1,984,519</u>	<u>279,334</u>	<u>18,011,244</u>	<u>322,525</u>	<u>527,468</u>	<u>203,041</u>	<u>-</u>	<u>36,098,134</u>
Net book value 31 December 2025	<u>35,249,260</u>	<u>1,611,752</u>	<u>248,276</u>	<u>19,646,187</u>	<u>2,419</u>	<u>82,793</u>	<u>45,072</u>	<u>3,055,191</u>	<u>59,940,950</u>

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**NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)**

11 RIGHT OF USE ASSETS

The statement of financial position shows the following amounts relating to right to use assets:

	Parent Company		Group	
	2025	2024	2025	2024
	<u>⌘</u>	<u>⌘</u>	<u>⌘</u>	<u>⌘</u>
Cost				
At 1 January	5,977,024	3,031,809	6,351,305	3,249,084
(Disposal) / Additions during the year	<u>(133,272)</u>	<u>2,945,215</u>	<u>(133,272)</u>	<u>3,102,221</u>
At 31 December	<u>5,843,752</u>	<u>5,977,024</u>	<u>6,218,033</u>	<u>6,351,305</u>
Accumulated depreciation				
At 1 January	1,942,460	1,693,698	2,004,689	1,742,138
Charge for the year (note 4 and 5)	<u>195,040</u>	<u>248,762</u>	<u>207,514</u>	<u>261,234</u>
At 31 December	<u>2,137,500</u>	<u>1,942,460</u>	<u>2,212,203</u>	<u>2,003,372</u>
Net carrying amount at 31 December	<u>3,706,252</u>	<u>4,034,564</u>	<u>4,005,830</u>	<u>4,347,933</u>

The right of use assets pertains to the following underlying assets:

	Parent Company		Group	
	2025	2024	2025	2024
	<u>⌘</u>	<u>⌘</u>	<u>⌘</u>	<u>⌘</u>
Right-of-use assets				
Land	907,593	1,119,512	1,207,171	1,431,564
Solar equipment	2,790,644	2,483,747	2,790,644	2,483,747
Vehicles	<u>8,015</u>	<u>431,305</u>	<u>8,015</u>	<u>432,622</u>
	<u>3,706,252</u>	<u>4,034,564</u>	<u>4,005,830</u>	<u>4,347,933</u>

The statement of profit or loss shows the following amounts relating to right to use assets:

	Parent Company		Group	
	2025	2024	2025	2024
	<u>⌘</u>	<u>⌘</u>	<u>⌘</u>	<u>⌘</u>
Right-of-use assets				
Land	73,965	68,497	86,439	80,969
Solar equipment	117,744	44,154	117,744	44,154
Vehicles	<u>3,331</u>	<u>136,111</u>	<u>3,331</u>	<u>136,111</u>
	<u>195,040</u>	<u>248,762</u>	<u>207,514</u>	<u>261,234</u>

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**NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)**

12 INTANGIBLE ASSETS

	Parent		Group	
	2025	2024	2025	2024
	<u>₹</u>	<u>₹</u>	<u>₹</u>	<u>₹</u>
Cost				
At 1 January	578,827	578,827	578,827	578,827
At 31 December	578,827	578,827	578,827	578,827
Accumulated amortisation				
At 1 January	578,826	578,638	578,826	578,638
Charge for the year	-	188	-	188
At 31 December	578,826	578,826	578,826	578,826
Net carrying amount				
At 31 December	1	1	1	1

Intangible assets include computer software and are being amortised over the estimated useful life of 5 years.

13 INVESTMENT IN SUBSIDIARY

	% Holding	Year of incorporation	Parent	
			2025	2024
			<u>₹</u>	<u>₹</u>
A'Saffa Food Processing SPC	100%	2011	1,350,000	1,350,000
			1,350,000	1,350,000

- (a) Investment in subsidiary has been eliminated against the share capital and reserves of the subsidiary in consolidated financial statements.
- (b) The Board of Directors of the Parent Company have not noted any impairment indicators for the investments in subsidiary at the year end.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

14 EQUITY-ACCOUNTED INVESTEE

Parent company / Group:

	2025		2024	
	%	£	%	£
Osool Poultry SAOC	23.46	<u>7,062,140</u>	23.46%	<u>6,108,998</u>
		<u>7,062,140</u>		<u>6,108,998</u>

Movement in investment accounted for using the equity method are as follows:

	Osool Poultry SAOC	
	2025	2024
	£	£
Opening balance as at 1 January	6,108,998	5,390,298
Share of profit during the year	<u>953,142</u>	718,700
Carrying value as at 31 December	<u>7,062,140</u>	<u>6,108,998</u>

The share of profit of equity accounted investee has been recognised in both parent and the consolidated statement of profit or loss for the year.

The details of the Group's investments accounted for using the equity method are as follows:

	Osool Poultry SAOC	
	2025	2024
	£	£
Net assets	30,102,899	26,040,060
Group's share of net assets	<u>23.46%</u>	23.46%
Carrying value as at 31 December	<u>7,062,140</u>	<u>6,108,998</u>

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profits
	£	£	£	£	£	£
31 December 2025						
Osool Poultry SAOC	<u>16,802,431</u>	<u>56,763,225</u>	<u>9,042,096</u>	<u>34,420,661</u>	<u>26,719,650</u>	<u>4,062,839</u>
	Current Assets	Non-Current assets	Current liabilities	Non-current liabilities	Revenue	Losses
31 December 2024						
Osool Poultry SAOC	<u>14,624,697</u>	<u>58,693,101</u>	<u>11,394,292</u>	<u>35,883,446</u>	<u>26,268,959</u>	<u>3,063,512</u>

A'SAFFA FOODS SAOG

NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

15 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Parent		Group	
	2025 S	2024 S	2025 S	2024 S
Opening balance as at 1 January	45,795	46,225	45,795	46,225
Fair value gain / (loss) for the year	1	(430)	1	(430)
Carrying value as at 31 December	45,796	45,795	45,796	45,795

The Parent Company holds 100,000 shares of S 1 each (2024: 100,000 shares of S 1 each) in Al Najd Agricultural Development SAOC.

The financial asset at fair value through profit or loss (FVTPL) is designated as level 3 in the fair value hierarchy, because its subsequent measurement is based on largely unobservable inputs. A 5% change in the unobservable inputs would not result in a significant impact on the fair value. There was no transfer in fair value level hierarchy during the year.

16 INVENTORIES

	Parent		Group	
	2025 S	2024 S	2025 S	2024 S
Raw materials and consumables	6,931,248	6,975,477	7,993,944	7,761,085
Finished products	6,142,086	2,523,292	5,935,229	2,470,605
Stores and spares	2,622,522	2,197,472	2,976,156	2,535,957
	15,695,856	11,696,241	16,905,329	12,767,647

At the reporting date, the company has recognized a fair value gain in finished products amounting to S 1,552,705 (2024: 362,978) due to the transfer of biological asset to inventories.

Based on the fast-moving nature of the inventory balances no inventory write downs were recognised in the profit and loss account. The closing stock valued on the lower of cost or net realizable value as at 31 December 2024 and 31 December 2025.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

17 BIOLOGICAL ASSETS

	Parent and Group	
	2025	2024
	<u>₹</u>	<u>₹</u>
Mature biological assets (Broiler birds)	1,316,858	1,591,573
Immature biological assets (Breeder chicks)	826,722	668,629
Hatchable eggs	743,092	768,809
	<u>2,886,672</u>	<u>3,029,011</u>

At 31 December 2025, 3,133,001 Nos. broiler birds (2024 - 3,183,655 Nos. broiler birds) and 217,135 Nos. chicks (2024 – 177,531 Nos. chicks) were part of biological assets. During the year 43,000 MT of meat has been produced (2024: 40,000 MT).

	Parent and Group	
	2025	2024
	<u>₹</u>	<u>₹</u>
Opening balance	3,029,011	3,154,033
Additions	32,759,996	30,304,131
Amortization	(3,345,788)	(3,955,726)
Transfer to inventories	(29,556,547)	(26,473,427)
Closing balance	<u>2,886,672</u>	<u>3,029,011</u>

Following is the breeder birds movement which is carried at cost which part of the above table.

	Parent and Group	
	2025	2024
	<u>₹</u>	<u>₹</u>
Opening balance	668,629	564,746
Additions	1,212,781	877,432
Amortization	(1,054,688)	(773,549)
Closing balance	<u>826,722</u>	<u>668,629</u>

Biological assets include poultry for livestock of breeder chicken, hatchable eggs and broiler birds. Biological assets, except breeder chicken, are measured at fair value less cost to sell.

Breeder birds are used for captive consumption, it is uncommon to be sold before the end of its useful life and as such, there is no active market for the breeder birds in Sultanate of Oman. Other references to market prices such as market prices for similar assets are also not available due to the uniqueness of the breed.

Breeder birds are measured at cost, less amortization and impairment losses. Breeder birds are depreciated over the production cycle which is estimated to be 9-10 months on average based on anticipated output month to month. Accordingly all breeder birds are considered as a part of current assets.

The fair values of the broiler birds and hatchable eggs have been categorised as Level 3 fair value hierarchy by management because the derived fair value depends on various entity specific inputs and estimates.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

17 BIOLOGICAL ASSETS (continued)

Valuation techniques and significant unobservable inputs used for valuation of broiler birds and hatchable eggs are as below:

Biological Assets	Valuation technique	Significant unobservable Inputs	Inter-relationship between key unobservable inputs and fair value measurement
Live broiler birds	Fair value: The valuation model considers the average live weight of bird, mortality and the estimated market price less cost to sell [including the additional cost required to bring the birds as ready to sell (i.e. feed cost, medicines and overhead)] and margin elimination. The company use income approach to determine the fair value.	<p>Average weight of birds 1.253 kgs (2024: 1.240 kgs)</p> <p>Average Sales price of fully grown bird less cost to sell ₹ 1.153 (2024: ₹ 1.178)</p> <p>Mortality 2.38% (2024: 4.85%)</p> <p>Average yield 69.52% (2023: 2024: 70.4%)</p>	<p>The estimated fair value would increase/ (decrease) if:</p> <p>Average weight of birds higher/ (lower).</p> <p>Selling price of fully grown bird less cost to sell was higher/ (lower).</p>
Hatchery Eggs	Fair value: The company use income approach to determine the fair value.	<p>Broiler bird day old chick ₹ 0.200 (2024: ₹ 0.210)</p> <p>Average hatchability ranges 85.51% (2024: 85.90%)</p>	<p>The estimated fair value would increase/ (decrease) if the hatchability was higher / (lower).</p>

A 1% change in the unobservable inputs would not result in a significant impact on the fair value.

17.1 Risk management strategy related to agriculture activities

The Group is exposed to the following risks relating to its poultry. These risks and management's strategies to mitigate them are described below.

a) Regulatory and environmental risk

The Group is subject to environmental and other laws and regulations in various countries in which it operates. The Group has established environmental policies and procedures aimed at compliance with these laws.

b) Supply and demand risk

The Group is exposed to risks arising from fluctuations in the price and sales volume of poultry products. When possible, the Group manages this risk by aligning its production to market supply and demand. Management performs regular industry trend analysis for projected production volumes and pricing.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

18 TRADE AND OTHER RECEIVABLES

	Parent Company		Group	
	2025 ₹	2024 ₹	2025 ₹	2024 ₹
Trade receivables (note 18.1)	10,253,656	9,961,375	10,331,854	10,327,370
Due from related parties (note 28(b))	1,800	358,747	1,800	-
Advances to staff and suppliers	2,366,787	2,934,208	2,919,571	3,137,095
Other receivables	29,279	45,821	29,279	45,821
VAT receivables	608,456	596,732	781,038	724,528
Prepayments	180,548	112,997	221,064	149,496
	<u>13,440,526</u>	<u>14,009,880</u>	<u>14,284,606</u>	<u>14,384,310</u>

*These are considered relates parties under regulatory authorities.

18.1 Trade receivables

	Parent Company		Group	
	2025 ₹	2024 ₹	2025 ₹	2024 ₹
Gross trade receivables	10,960,541	10,633,509	11,038,739	10,999,504
Allowance for impairment	(706,885)	(672,134)	(706,885)	(672,134)
	<u>10,253,656</u>	<u>9,961,375</u>	<u>10,331,854</u>	<u>10,327,370</u>

The ageing of trade receivables and the movement in provision at the reporting date is disclosed in note 29b).

Operating segments

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board considers the business from a Group level as the Group is principally engaged in one segment which is manufacturing and distribution of poultry meat. The Group also earns revenue from rendering of services. However, such revenue is not material as compared to the Group's total revenue. The Board also considers the geographical segments. The directors review monthly analysis of these geographical segments by monitoring volume, values and the related receivables. As the directors effectively look at only one group level segment, all relevant details are as set out in the statement of comprehensive income and statement of financial position. The geographical distribution of revenue based on the reports reviewed by the directors is disclosed in Note 3. The geographical distribution of receivables is set out below:

Trade receivables	Parent Company		Group	
	2025 ₹	2024 ₹	2025 ₹	2024 ₹
Local	7,844,610	7,738,308	7,922,808	8,105,576
GCC countries	3,090,135	2,778,147	3,090,135	2,776,874
	<u>10,934,745</u>	<u>10,516,455</u>	<u>11,012,943</u>	<u>10,882,450</u>

The Group does not maintain separate segmental costing and operational results for different regions.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

19 TERM DEPOSITS

	Parent Company		Group	
	2025 ₹	2024 ₹	2025 ₹	2024 ₹
Short term deposits	3,300,000	3,300,000	3,300,000	3,300,000

Term deposits are denominated in Omani Rial and placed with Islamic banks in Oman with maturity period of one year and interest rate ranging from 4.2% to 5.25% (2024: 4.25% to 5.5%). These deposits are pledged against short term loans (note 24).

20 CASH AND CASH EQUIVALENT

	Parent Company		Group	
	2025 ₹	2024 ₹	2025 ₹	2024 ₹
Cash on hand	147,449	136,656	149,044	138,344
Cash at bank	617,778	805,215	928,856	890,951
	<u>765,227</u>	<u>941,871</u>	<u>1,077,900</u>	<u>1,029,295</u>

Cash at bank balances are with commercial banks in Oman and are denominated in Omani Rial. Cash at banks includes call deposits, amounting such as ₹ 500,854 (2024: ₹ 285,828) which are short term in nature and carry interest at commercial rate i.e., 4.25%.

20.1 Reconciliation of liabilities arising from financing activity in long term loans:

Parent

	1 Jan 2025	Cash inflow	Cash Outflow	Interest cost	31 Dec 2025
Long term loans	34,596,543	-	(3,765,553)	1,108,703	31,939,693
	1 Jan 2024	Cash inflow	Cash Outflow	Interest Cost	31 Dec 2024
Long term loans	35,206,143	-	(1,972,777)	1,363,177	34,596,543

Group

	1 Jan 2025	Cash inflow	Cash Outflow	Interest cost	31 Dec 2025
Long term loans	34,716,896	-	(3,898,962)	1,121,759	31,939,693
	1 Jan 2024	Cash inflow	Cash Outflow	Interest Cost	31 Dec 2024
Long term loans	35,480,177	-	(2,126,458)	1,363,177	34,716,896

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

21 SHARE CAPITAL

- a) The authorised and the issued (fully paid) share capital comprises of 120,000,000 (2024: 120,000,000) ordinary shares of 100 baisa (2024: 100 baisa).
- b) The shareholders of the Company who own 8% or more of the Company's shares at 31 December 2025 and 2024 and the number of shares held by them are set out below:

	2025		2024	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Zulal Investment Company	39,898,654	33.25%	39,898,654	33.25%
Gulf Investment Corporation	24,008,666	20.01%	24,008,666	20.01%
Al Hosn Investment SAOC	15,890,000	13.24%	15,890,000	13.24%
Salim International Investment Holding LLC	11,999,999	10.00%	11,999,999	10.00%
Social Protection Fund	11,488,361	9.57%	11,488,361	9.57%

During the year, dividend paid ~~₹~~ 2,400,000 which is 0.020 baisa per share. (2024: ~~₹~~ 1,200,000). Subsequent to the year end, dividend of 0.027 Baisa per share totaling ~~₹~~ 3,240,000 related to the year 2025 was proposed (2024: ~~₹~~ 2,400,000).

22 LEGAL RESERVES

As required by the Commercial Companies' Law of Oman, the Parent Company and subsidiaries must set aside 10% of the profits in each year until it has built up a reserve equal to one third of its share capital. The reserve is not available for distribution.

23 OTHER RESERVE

This represent the fair value reserve with respect to equity investment held in A'Namaa Poultry Company SAOC, which is valued at fair value with any gains or losses recorded through other comprehensive income ('OCI') based on an irrevocable election made by directors and management at the time of the initial recognition of the investment. On disposal of this equity investment, any related balance within the FVOCI reserve will be transferred to retained earnings.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

24 BORROWINGS

Non-current:

	Parent Company		Group	
	2025 <u>₹</u>	2024 <u>₹</u>	2025 <u>₹</u>	2024 <u>₹</u>
Term loans from commercial banks:				
Term loan 1 (a)	-	-	-	120,353
Term loan 2 (b)	28,503,150	30,865,400	28,503,150	30,865,400
Term loan 3 (c)	3,436,543	3,731,143	3,436,543	3,731,143
	<u>31,939,693</u>	<u>34,596,543</u>	<u>31,939,693</u>	<u>34,716,896</u>
Less: current portion of term loan including interest	(3,221,750)	(2,657,100)	(3,221,750)	(2,777,453)
	<u>28,717,943</u>	<u>31,939,443</u>	<u>28,717,943</u>	<u>31,939,443</u>

Current:

	Parent Company		Group	
	2025 <u>₹</u>	2024 <u>₹</u>	2025 <u>₹</u>	2024 <u>₹</u>
Current portion of term loans including interest	3,221,750	2,657,100	3,221,750	2,777,453
Short term loans (d)	8,353,052	3,845,368	8,353,052	3,845,368
Bank overdrafts (d)		404,911		404,911
	<u>11,574,802</u>	<u>6,907,379</u>	<u>11,574,802</u>	<u>7,027,732</u>

- (a) Term loan 1 (a) is denominated in Omani Rial and was availed in 2019 from a local Islamic bank by a subsidiary. The loan is subject to a profit rate of CBO private sector ₹ time deposit rate + 1.7% (2023: CBO private sector RO time deposit rate + 1.7%) per annum.
- (b) Term loan 2 (b) is denominated in Omani Rial and was availed in 2019 from a local Islamic bank. The loan is subject to a profit rate of base rate + 3% per annum (Base Rate is defined as "1 year Fixed Deposit Rates" published by Bank Muscat SAOG). The loan is repayable in twenty two semi-annual instalments commencing from January 2023. The loan is secured against first commercial charge on building and equipment (note 11). However, the loan contains a covenant stating that at the end of each reporting period, Parent Company's debt service ratio cannot exceed 1.25 times, otherwise the loan will be repayable on demand. As at 31 December 2025, the threshold was not exceeded and the Parent Company complied with the covenant. Accordingly, loan is classified as non-current at 31 December 2025.
- (c) Term loan 1 (c) is denominated in Omani Rial and was availed in 2019 from a local Islamic bank. The loan is subject to a profit rate of base rate + 3% per annum (Base Rate is defined as "1 year Fixed Deposit Rates" published by Bank Muscat SAOG). It is repayable in eighteen semi-annual instalments which commenced from April 2021. The loan is secured against first commercial charge on building and equipment (note 11). However, the loan contains a covenant stating that at the end of each reporting period, Parent Company's debt service ratio cannot exceed 1.25 times, otherwise the loan will be repayable on demand. As at 31 December 2025, the threshold was not exceeded and the Parent Company complied with the covenant. Accordingly, loan is classified as non-current at 31 December 2025.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

24 BORROWINGS (continued)

- (d) The short term loans are renewable every three months and are repayable on demand and therefore the carrying amounts approximate their fair values. No overdraft was drawn as at 31 December 2025 (2024: ₺ 404,911). The rate is subject to renegotiation with the banks upon renewal of the facilities, which generally takes place on an annual basis. However, the loan contains a covenant stating that at the end of each reporting period, Parent Company's debt service leverage ratio cannot exceed 3 times, otherwise the loan will be repayable on demand. As at 31 December 2025, the threshold was not exceeded and the Parent Company complied with the covenant.

25 LEASE LIABILITIES

The Group recognised lease liability in relation to leases of land, solar equipment and vehicles. The liability was measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate of 6.5%.

The balance sheet shows the following amounts relating to leases:

	Parent Company		Group	
	2025 ₺	2024 ₺	2025 ₺	2024 ₺
Lease liabilities				
Land	1,061,537	1,313,963	1,408,209	1,661,061
Solar equipment	2,908,984	2,935,584	2,908,984	2,935,584
Vehicles	3,520	37,081	3,520	37,081
Total	<u>3,974,041</u>	<u>4,286,628</u>	<u>4,320,713</u>	<u>4,633,726</u>

Movement of lease liabilities during the year

	Parent Company		Group	
	2025 ₺	2024 ₺	2025 ₺	2024 ₺
Lease liabilities				
Lease liability recognised as at 1 January	4,286,628	1,532,607	4,633,726	1,729,811
(Disposal) / Addition of lease liability	(207,853)	2,932,973	(207,853)	3,089,965
Interest charge (note: 8)	277,609	164,090	290,665	186,496
Payments during the year	(382,343)	(343,042)	(395,825)	(372,546)
Closing as at 31 December	<u>3,974,041</u>	<u>4,286,628</u>	<u>4,320,713</u>	<u>4,633,726</u>
Current	312,109	299,433	325,591	307,739
Non-current	<u>3,661,932</u>	<u>3,987,195</u>	<u>3,995,122</u>	<u>4,325,987</u>
Total	<u>3,974,041</u>	<u>4,286,628</u>	<u>4,320,713</u>	<u>4,633,726</u>

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

25 LEASE LIABILITIES (continued)

The statement of comprehensive income shows the following amounts relating to leases:

	Parent Company		Group	
	2025 <u>₹</u>	2024 <u>₹</u>	2025 <u>₹</u>	2024 <u>₹</u>
Interest expense (included in note 8)	277,609	164,090	290,665	186,496
Expense relating to short-term leases (note 5)	685,034	582,646	685,034	582,646

26 END OF SERVICE BENEFITS

	Parent Company		Group	
	2025 <u>₹</u>	2024 <u>₹</u>	2025 <u>₹</u>	2024 <u>₹</u>
At 1 January	1,532,169	1,330,541	1,649,977	1,412,763
Charge for the year (note 7)	235,000	244,100	246,047	280,857
Paid during the year	(84,846)	(42,472)	(86,150)	(43,653)
At 31 December	1,682,323	1,532,169	1,809,874	1,649,967

In accordance with the provisions of IAS 19, the management has carried out an exercise to assess the present value of its obligations as at 31 December 2025 and 2024, using the projected unit credit method, in respect of employees' end of service benefits payable under the Oman Labour Law. Under this method an assessment has been made of an employee's expected service life with the Group and the expected basic salary at the date of leaving the service. Management has assumed average increment / promotion costs in line with the operating performance of the Group and expected future outlook. The expected liability at the date of leaving the service has been discounted to net present value using a discount rate of 6.5% (2024 : 6.5%).

27 TRADE AND OTHER PAYABLES

	Parent Company		Group	
	2025 <u>₹</u>	2024 <u>₹</u>	2025 <u>₹</u>	2024 <u>₹</u>
Trade payables	3,174,942	2,779,270	3,402,604	3,389,883
Due to related parties [note: 28(b)]	1,412,342	1,881,115	444,787	544,315
Accruals	833,003	833,013	839,540	840,111
Other payables	4,647,814	5,991,930	4,854,524	6,247,767
Retentions payable	836,645	795,864	836,645	795,864
	10,904,746	12,281,192	10,378,100	11,817,940

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

28 RELATED PARTIES

Related parties comprise the shareholders, directors, key management personnel and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions (other related parties).

During the year, the Parent Company and Group entered into transactions with related parties in the normal course of business. The nature of significant related party transactions and the amounts involved were as follows:

(a) The following transactions were carried out with related parties:

	Relationship	Parent Company		Group	
		2025 <u>£</u>	2024 <u>£</u>	2025 <u>£</u>	2024 <u>£</u>
Purchase of goods and services					
A'Saffa Food Processing SPC	Subsidiary	5,679,531	5,668,953	-	-
Osool Poultry SAOC	Associate	4,895,935	4,358,707	4,895,935	4,358,707
		<u>10,575,466</u>	<u>10,027,660</u>	<u>4,895,935</u>	<u>4,358,707</u>
Sale of goods					
Osool Poultry SAOC	Associate	26,100	3,071,145	26,100	3,071,145
A'Saffa Food Processing SPC	Subsidiary	1,340,020	1,032,552	-	-
		<u>1,366,120</u>	<u>4,103,697</u>	<u>26,100</u>	<u>3,071,145</u>

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

28 RELATED PARTIES (continued)

(b) Year end balances arising from sales of goods and services are as follows:

	Relationship	Parent Company		Group	
		2025 <u>₹</u>	2024 <u>₹</u>	2025 <u>₹</u>	2024 <u>₹</u>
Receivable from:					
(note: 18)					
Osool Poultry SAOC	Associate	1,800	-	1,800	-
A'Saffa Food Processing SPC	Subsidiary	-	358,747	-	-
		<u>1,800</u>	<u>358,747</u>	<u>1,800</u>	<u>-</u>
Payable to: (note: 27)					
A'Saffa Food Processing SPC	Subsidiary	967,555	1,336,800	-	-
Osool Poultry SAOC	Associate	444,787	544,315	444,787	544,315
		<u>1,412,342</u>	<u>1,881,115</u>	<u>444,787</u>	<u>544,315</u>

Key management benefits

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise). Total compensation accrued to key management personnel for the year ended is below.

(c) The key management personnel compensation for the year comprises:

	Parent Company		Group	
	2025 <u>₹</u>	2024 <u>₹</u>	2025 <u>₹</u>	2024 <u>₹</u>
Short-term employment benefits	419,098	396,018	419,098	396,018
End of service benefits and social security costs	56,170	40,209	56,170	40,209
	<u>475,268</u>	<u>436,227</u>	<u>475,268</u>	<u>436,227</u>

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

28 RELATED PARTIES (continued)

(d) The directors' remuneration for the year comprises:

	Parent Company		Group	
	2025 <u>₹</u>	2024 <u>₹</u>	2025 <u>₹</u>	2024 <u>₹</u>
Directors' meeting attendance fees	46,200	45,500	50,450	48,900
Directors' Remuneration	300,000	250,000	300,000	250,000
Directors' travel and related expenses	22,434	10,840	22,434	10,840
	<u>368,634</u>	<u>306,340</u>	<u>372,884</u>	<u>309,740</u>

29 FINANCIAL RISK MANAGEMENT

Other disclosures

Financial assets are assessed for impairment at each reporting date as disclosed below in credit risk.

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The Group has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has entrusted the Management with the responsibility of developing and monitoring the Group's risk management policies and procedures and its compliance with them.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

Currency risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group is exposed to foreign exchange risk arising from currency exposures primarily with respect to US Dollars, UAE Dirham, Qatari Rial, Kuwaiti Dinar and Bahraini Dinar. As these currencies are pegged to US Dollar, exposure arising on outstanding receivables in Qatari riyal, UAE Dirham, Kuwaiti Dinar and Bahraini Dinar is not material.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

29 FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Interest rate risk

Interest rate risk arises from the possibility of changes in interest rates and mismatches or gaps in the amount of assets and liabilities that mature or re-price in a given period. The Group's interest rate risk arises from interest bearing financial assets and financial liabilities which are exposed to changes in market interest rates.

The Group's financial assets and financial liabilities are at fixed rates and expose the Group to fair value interest rate risk. The Group analyses its interest rate exposure on a regular basis and reassesses the source of borrowings and renegotiates interest rates at terms favourable to the Group.

At the reporting date, the interest rate profile of the Group's interest-bearing financial assets and liabilities is:

	Interest rate	Parent		Group	
		2025 ₹	2024 ₹	2025 ₹	2024 ₹
Fixed rate instruments					
Fixed term cash deposit	4.2% - 5.25%	3,300,000	3,300,000	3,300,000	3,300,000
Lease liabilities	6.5%	3,974,041	4,286,628	4,320,713	4,633,726
		<u>7,274,041</u>	<u>7,586,628</u>	<u>7,620,713</u>	<u>7,933,726</u>
Variable-rate instruments					
Term loans	5% - 5.65%	40,292,745	38,441,911	40,292,745	38,562,264
Bank overdraft	-	-	404,911	-	404,911
		<u>40,292,745</u>	<u>38,846,822</u>	<u>40,292,745</u>	<u>38,967,175</u>

Fair value sensitivity analysis for fixed-rate instruments

The group does not account for fixed rate instrument at FVTPL. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cashflow sensitivity analysis for variable-rate instruments

A reasonable change of 100 basis points in interest rates at the reporting date would have an impact of ₹ 0.231 million on the profit or loss.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

29 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from cash and bank balances and credit exposures to customers. The Group has a credit policy in place and exposure to credit risk is monitored on an on-going basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group requires bank guarantees on higher credit risk customers. The Group does not require collateral in respect of all other financial assets.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's and Parent company's performance to developments affecting a particular industry or geographical location.

Impairment of financial assets

The Group has trade receivables which are subject to the expected credit loss model. While fixed term cash deposits, cash and bank balances and other receivables are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables

Credit is extended to corporate customers only with an objective of optimising the Group's and Parent company's profits and the prime responsibility for providing credit to customers and the timely collection of all debt rests with the functional manager. Credit has a cost to the business and necessary controls and procedures are established to manage the Group's and Parent company's credit risk and its working capital. It is, therefore, the Group's policy to have effective credit control systems in place which are flexible enough to respond to changing market needs yet rigorous enough to ensure that customer credit limits are established and regularly updated on the basis of reliable up-to-date information. The Group's twenty-five largest customers account for 78% of the outstanding accounts receivable at 31 December 2025 (2024: twenty-five largest customers: 79%).

The maximum exposure to credit risk at the reporting date is their carrying value:

	Parent Company		Group	
	2025	2024	2025	2024
	₹	₹	₹	₹
Break down of financial assets (at carrying amount)				
Term deposits	3,300,000	3,300,000	3,300,000	3,300,000
Bank balances	617,778	805,215	928,856	890,951
Trade receivables (gross)	10,934,745	10,516,455	11,012,943	10,882,450
Other receivables	29,279	45,821	29,279	45,821
Due from related parties	1,800	358,747	1,800	-
	<u>14,883,602</u>	<u>15,026,238</u>	<u>15,272,878</u>	<u>15,119,222</u>

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

29 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Trade receivables (continued)

The table below shows the balances with banks categorized by short-term credit rating as published by Moody's investor's service at the reporting date:

Bank	Rating	Parent Company		Group	
		2025 ₹	2024 ₹	2025 ₹	2024 ₹
Bank balances					
Alizz Islamic Bank	Baa2	63,060	150,936	63,060	150,936
Ahli Bank SAOG	Baa3	70	125	70	125
Bank Dhofar SAOG	Baa3	15,257	635	15,257	635
Bank Muscat SAOG	Baa3	55,795	100,272	55,795	100,272
Dhofar Islamic Bank	Baa3	-	128,924	-	128,924
National Bank of Oman SAOG	Baa3	244	325	311,322	83,099
Oman Arab Bank SAOG	Baa3	69,381	113,401	69,366	116,243
Meethaq Islamic Banking	Baa3	413,829	304,641	413,829	304,641
Muzn Islamic Banking	Baa3	142	5,956	157	6,076
		<u>617,778</u>	<u>805,215</u>	<u>928,856</u>	<u>890,951</u>
Fixed Term Deposits					
Alizz Islamic Bank	Baa2	1,000,000	1,000,000	1,000,000	1,000,000
Meethaq Islamic Banking	Baa3	2,300,000	2,300,000	2,300,000	2,300,000
		<u>3,300,000</u>	<u>3,300,000</u>	<u>3,300,000</u>	<u>3,300,000</u>

Age analysis of current trade receivable is as follows:

Parent

2025	Weighted average loss rate	Gross carrying amount ₹	Expected credit loss ₹	Net carrying amount ₹
Not past due	4.42%	6,107,545	269,718	5,837,827
< 60 days	9.60%	3,661,462	351,314	3,310,148
61-120 days	0.58%	447,916	2,600	445,316
121-180 days	0.02%	44,077	10	44,067
181-240 days	1.34%	5,827	78	5,749
> 241 days	12.45%	667,918	83,165	584,753
		<u>10,934,745</u>	<u>706,885</u>	<u>10,227,860</u>

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**NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)**

29 FINANCIAL RISK MANAGEMENT (continued)

(b) *Credit risk (continued)*

Trade receivables (continued)

Group

2025	Weighted average loss rate	Gross carrying amount <u>₹</u>	Expected credit loss <u>₹</u>	Net carrying amount <u>₹</u>
Not past due	4.71%	5,731,356	269,718	5,461,638
< 60 days	9.68%	3,630,223	351,314	3,278,909
61-120 days	0.59%	442,636	2,600	440,036
121-180 days	0.00%	534,983	10	534,973
181-240 days	1.34%	5,827	78	5,749
> 241 days	12.45%	667,918	83,165	584,753
		<u>11,012,943</u>	<u>706,885</u>	<u>10,306,058</u>

Parent

2024	Weighted average loss rate	Gross carrying amount <u>₹</u>	Expected credit loss <u>₹</u>	Net carrying amount <u>₹</u>
Not past due	3.48%	6,075,232	211,168	5,864,064
< 60 days	10.20%	3,661,978	375,133	3,286,845
61-120 days	2.90%	89,009	2,578	86,431
121-180 days	0.00%	12,828	9	12,819
181-240 days	0.01%	9,140	81	9,059
> 241 days	12.44%	668,268	83,165	585,103
		<u>10,516,455</u>	<u>672,134</u>	<u>9,844,321</u>

Group

2024	Weighted average loss rate	Gross carrying amount <u>₹</u>	Expected credit loss <u>₹</u>	Net carrying amount <u>₹</u>
Not past due	3.29%	6,441,227	211,168	6,230,059
< 60 days	10.20%	3,661,978	375,133	3,286,845
61-120 days	2.90%	89,009	2,578	86,431
121-180 days	0.00%	12,828	9	12,819
181-240 days	0.01%	9,140	81	9,059
> 241 days	12.44%	668,268	83,165	585,103
		<u>10,882,450</u>	<u>672,134</u>	<u>10,210,316</u>

The related party balances and the other classes within receivables and prepayments do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

29 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

The closing loss allowances for trade receivables as at 31 December 2025 reconcile to the opening loss allowances as follows:

	Parent Company		Group	
	2025 ₹	2024 ₹	2025 ₹	2024 ₹
Opening loss allowance as at 1 January	672,134	681,958	672,134	681,958
Increase / (Decrease) in loss allowance recognized in profit or loss during the year	34,751	(9,824)	34,751	(9,824)
At 31 December	<u>706,885</u>	<u>672,134</u>	<u>706,885</u>	<u>672,134</u>

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

In accordance with prudent risk management, the members aim to maintain sufficient cash and an adequate amount of committed credit facilities. Management monitors rolling forecasts of the Group's liquidity reserve and cash and bank balances on the basis of expected cash.

The table below analyses the Group's financial liabilities into the relevant maturity borrowings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances, as the impact of discounting is not significant.

Parent Company

	Carrying amount	Cash flows			
		Contractual cash flow	Less than 1 year	More than 1 to 5 years	More than 5 years
31 December 2025	₹	₹	₹	₹	₹
Financial liabilities					
Long term loans	31,939,693	40,047,752	5,097,171	20,934,782	14,015,800
Lease liabilities	3,974,041	10,877,788	594,655	2,386,949	7,896,185
Short term loans	8,353,052	8,353,052	8,353,052	-	-
Trade and other payables	10,904,746	10,904,746	10,904,746	-	-
	<u>55,171,532</u>	<u>70,183,338</u>	<u>24,949,624</u>	<u>23,321,731</u>	<u>21,911,985</u>

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**NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE)
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29 FINANCIAL RISK MANAGEMENT (continued)

(c) *Liquidity risk (continued)*

Group

	Carrying amount	Cash flows			
		Contractual cash flow	Less than 1 year	More than 1 to 5 years	More than 5 years
31 December 2025	₹	₹	₹	₹	₹
Financial liabilities					
Long term loans	31,939,693	40,047,752	5,097,171	20,934,782	14,015,800
Lease liabilities	4,320,713	11,630,162	617,655	2,482,399	8,530,109
Short term loans	8,353,052	8,353,052	8,353,052	-	-
Trade and other payables	10,378,100	10,378,100	10,378,100	-	-
	<u>54,991,558</u>	<u>70,409,066</u>	<u>24,445,978</u>	<u>23,417,181</u>	<u>22,545,909</u>

Parent

	Carrying amount	Cash flows			
		Contractual cash flow	Less than 1 year	More than 1 to 5 years	More than 5 years
31 December 2024	₹	₹	₹	₹	₹
Financial liabilities					
Long term loans	34,596,543	44,760,730	4,713,039	21,366,284	18,681,407
Lease liabilities	4,286,628	12,601,354	647,503	3,065,933	8,887,918
Short term loans	3,845,368	3,946,350	3,946,350	-	-
Bank overdraft	404,911	404,911	404,911	-	-
Trade and other payables	12,281,192	12,281,192	12,281,192	-	-
	<u>55,414,642</u>	<u>73,994,537</u>	<u>21,992,995</u>	<u>24,432,217</u>	<u>27,569,325</u>

Group

	Carrying amount	Cash flows			
		Contractual cash flow	Less than 1 year	More than 1 to 5 years	More than 5 years
31 December 2024	₹	₹	₹	₹	₹
Financial liabilities					
Long term loans	34,716,896	44,881,083	4,833,392	21,366,284	18,681,407
Lease liabilities	4,633,726	13,376,728	670,503	3,818,307	8,887,918
Short Term loans	3,845,368	3,946,350	3,946,350	-	-
Bank overdraft	404,911	404,911	404,911	-	-
Trade and other payables	11,817,940	11,817,940	11,817,940	-	-
	<u>55,418,841</u>	<u>74,427,012</u>	<u>21,673,096</u>	<u>25,184,591</u>	<u>27,569,325</u>

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

29 FINANCIAL RISK MANAGEMENT (continued)

(d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a commercially defensible capital structure to reduce the cost of capital. Capital comprises share capital, legal reserve, retained earnings and other reserve.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital/equity on the basis of the debt to equity ratio.

	Parent Company		Group	
	2025 ₹	2024 ₹	2025 ₹	2024 ₹
Debt (including lease liabilities)	44,266,786	43,133,450	44,613,458	43,600,901
Capital/equity	45,178,893	41,128,123	49,829,565	45,061,577
Debt to equity ratio (times)	0.980	1.049	0.895	0.968

(e) Fair value of financial instruments

For assets subsequently measured at FV refer to notes 16 and 17 for fair value measurement techniques and disclosures. The carrying value of the remaining financial assets and liabilities approximate their fair value.

30 COMMITMENTS

(a) Purchase commitments

At 31 December 2025, the Parent Company and Group had purchase commitments amounting to ₹ 2,490,655 and ₹ 3,071,403 respectively (2024: Parent Company - ₹ 2,898,711 and Group - ₹ 3,185,387) mainly relating to purchase of raw material.

(b) Capital commitments

At 31 December 2025, the Parent Company and the Group had ₹ 10,526,984 (2024: ₹ 255,524).

(c) Guarantees

At 31 December 2025, there was contingent liability in respect of guarantee given in the normal course of business amounting to ₹ 1,294,969 (2024: ₹ 1,332,969) from which it is anticipated that no material liabilities will arise.

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NOTES TO THE CONSOLIDATED AND PARENT COMPANY'S (SEPARATE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

31 BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the year by the weighted average number of shares outstanding during the year as follows:

	Parent Company		Group	
	2025	2024	2025	2024
Profit for the year (₪)	<u>6,450,770</u>	5,722,337	<u>7,167,988</u>	5,901,738
Weighted average number of shares outstanding during the year	<u>120,000,000</u>	120,000,000	<u>120,000,000</u>	120,000,000
Earnings per share - Basic and diluted (₪)	<u>0.0538</u>	0.0477	<u>0.0597</u>	0.0492

32 DILUTED EARNINGS PER SHARE

The Parent Company or Group has no potentially dilutive instruments, the dilutive earnings per share are same earning as per note 31.

33 NET ASSETS PER SHARE

Net assets per share are calculated by dividing the shareholders' funds by the number of shares at the end of the reporting year.

	Parent Company		Group	
	2025	2024	2025	2024
Net assets – shareholders' funds (₪)	<u>45,178,893</u>	41,128,123	<u>49,829,565</u>	45,061,577
Number of shares at the end of the year	<u>120,000,000</u>	120,000,000	<u>120,000,000</u>	120,000,000
Net assets per share (₪)	<u>0.376</u>	0.342	<u>0.415</u>	0.376

34 DIVIDEND INCOME

During the year 2025, the Board of Directors of the subsidiary declared and paid dividend in an amount ₪ Nil (2024 ₪: 540,000).