

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
(UNAUDITED)**

with

INDEPENDENT AUDITOR'S REVIEW REPORT

For the three-month and six-month periods ended 30 June 2026

BINDAWOOD HOLDING COMPANY

(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and six-month periods ended 30 June 2026

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KPMG Professional Services Company

Zahran Business Center
Prince Sultan Street
P. O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

مركز زهران للأعمال
شارع الأمير سلطان
ص. ب. 55078
جدة 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

Independent auditor's report on review of condensed consolidated interim financial statements

To the Shareholders of BinDawood Holding Company

Introduction

We have reviewed the accompanying 30 June 2026 condensed consolidated interim financial statements of BinDawood Holding Company ("the Company") and its subsidiaries ("the Group") which comprises:

- the condensed consolidated statement of financial position as at 30 June 2026;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2026;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2026;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2026; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2026 condensed consolidated interim financial statements of BinDawood Holding Company and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

For KPMG Professional Services Company

Abdullah Oudah Althagafi
License No: 455



Jeddah, 12 August 2026
Corresponding to 29 Safar 1448H

KPMG Professional Services Company, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR110,000,000 and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. Commercial Registration of the headquarters in Riyadh is 1010425494.

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية، شركة مهنية مساهمة مقفلة، مسجلة في المملكة العربية السعودية، رأس مالها (110,000,000) ريال سعودي مدفوع بالكامل، وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المنتقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة الإنجليزية محدودة بضمان. رقم السجل التجاري للمركز الرئيسي في الرياض هو 1010425494.

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	Notes	30 June 2026 (Unaudited)	31 December 2025 (Audited)
ASSETS			
Non-current assets			
Property and equipment		870,472,974	842,976,461
Intangible assets and goodwill	6	930,318,970	790,677,422
Investment at fair value through other comprehensive income		37,481,260	37,481,260
Equity-accounted investment		20,643,869	25,666,666
Right-of-use assets	7	2,524,978,873	2,196,709,461
		<u>4,383,895,946</u>	<u>3,893,511,270</u>
Current assets			
Inventories		1,365,855,409	1,473,852,497
Trade and other receivables		444,612,335	330,972,163
Prepayments and advances		254,430,675	157,989,405
Cash and cash equivalents	9	270,705,719	284,721,610
		<u>2,335,604,138</u>	<u>2,247,535,675</u>
Total assets		<u>6,719,500,084</u>	<u>6,141,046,945</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	10	1,143,000,000	1,143,000,000
Treasury shares reserve		(11,588,766)	(14,985,400)
Foreign currency translation reserve		9,360,276	15,823,938
Employees' share based payments reserve	11	6,953,701	10,350,335
Other reserves		(30,159,930)	(41,995,201)
Retained earnings		491,897,929	417,843,660
Equity attributable to owners of the Company		<u>1,609,463,210</u>	<u>1,530,037,332</u>
Non-controlling interests		146,685,128	133,933,747
Total equity		<u>1,756,148,338</u>	<u>1,663,971,079</u>
Non-current liabilities			
Bank borrowing	15	378,000,000	150,000,000
Employees' end of service benefits		209,978,973	193,931,583
Compulsory convertible debentures		10,768,118	11,284,085
Lease liabilities - non-current portion	7	2,532,642,207	2,204,609,377
		<u>3,131,389,298</u>	<u>2,559,825,045</u>
Current liabilities			
Bank borrowing	15	115,637,370	166,622,934
Due to related parties	8	2,209,200	2,978,689
Trade payables, accruals, and other liabilities		1,356,052,538	1,395,210,028
Unearned income and other payable		11,389,192	34,579,611
Lease liabilities - current portion	7	314,013,817	292,932,241
Zakat liabilities	13	32,660,331	24,927,318
		<u>1,831,962,448</u>	<u>1,917,250,821</u>
Total liabilities		<u>4,963,351,746</u>	<u>4,477,075,866</u>
Total equity and liabilities		<u>6,719,500,084</u>	<u>6,141,046,945</u>


Dr. Abdul Razzaq BinDawood
Chairman


Ahmad AR BinDawood
Chief Executive Officer


Muhammad Salim Patka
Chief Financial Officer

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

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the three-month and six-month periods ended 30 June 2026

(Expressed in Saudi Arabian Riyals unless otherwise stated)

		Three-month period ended 30 June		Six-month period ended 30 June	
	<u>Notes</u>	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Revenue		1,643,026,722	1,474,313,373	3,454,465,769	3,148,698,549
Cost of revenue		(1,066,616,369)	(941,028,334)	(2,297,973,338)	(2,086,713,148)
Gross profit		576,410,353	533,285,039	1,156,492,431	1,061,985,401
Selling and distribution expenses		(370,295,989)	(362,953,290)	(734,120,553)	(707,701,852)
General and administration expenses		(106,006,106)	(90,953,810)	(213,834,709)	(184,697,942)
Other operating income		984,327	1,045,345	2,772,767	3,622,583
Operating profit		101,092,585	80,423,284	211,309,936	173,208,190
Share of loss from equity-accounted investment		(3,008,140)	--	(5,022,797)	--
Other income, net		(1,477,118)	6,011,717	2,808,367	11,365,959
Finance income		350,862	1,093,148	815,765	2,917,718
Finance cost		(36,781,661)	(30,619,895)	(71,817,921)	(59,730,008)
Profit for the period before Zakat and tax		60,176,528	56,908,254	138,093,350	127,761,859
Zakat and tax	13	(7,021,155)	(6,424,471)	(13,683,440)	(11,561,301)
Profit for the period		53,155,373	50,483,783	124,409,910	116,200,558
Other comprehensive income					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Foreign operations – foreign currency translation differences		(2,684,170)	10,772,183	(7,575,253)	15,859,680
Total comprehensive income for the period		50,471,203	61,255,966	116,834,657	132,060,238



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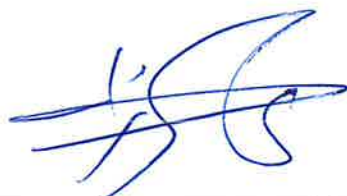
BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (UNAUDITED) (continued)**

For the three-month and six-month periods ended 30 June 2026

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	Note	Three-month period ended 30 June		Six-month period ended 30 June	
		2026	2025	2026	2025
Profit / (loss) for the period					
attributable to:					
Owners of the Company		49,584,089	51,829,084	119,712,476	118,952,422
Non-controlling interests		3,571,284	(1,345,301)	4,697,434	(2,751,864)
Profit for the period		53,155,373	50,483,783	124,409,910	116,200,558
Total comprehensive income /					
(loss) for the period					
attributable to:					
Owners of the Company		47,276,422	61,285,556	113,248,814	132,866,819
Non-controlling interests		3,194,781	(29,590)	3,585,843	(806,581)
Total comprehensive income		50,471,203	61,255,966	116,834,657	132,060,238
for the period					
Earnings Per Share ("EPS")					
attributable to the					
Owners of the Company:					
Basic and diluted	14	0.04	0.05	0.10	0.10



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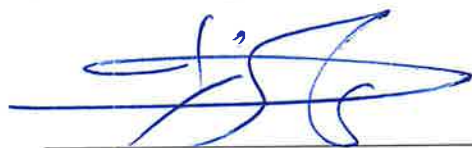
BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2026

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	Attributable to the owners of the Company								
	Share capital	Treasury shares reserve	Foreign currency translation reserve	Employees' share based payments reserve	Other reserve	Retained earnings	Total	Non-controlling interests	Total equity
30 June 2026									
Balance at 1 January 2026 (audited)	1,143,000,000	(14,985,400)	15,823,938	10,350,335	(41,995,201)	417,843,660	1,530,037,332	133,933,747	1,663,971,079
Profit for the period	--	--	--	--	--	119,712,476	119,712,476	4,697,434	124,409,910
Other comprehensive income	--	--	(6,463,662)	--	--	--	(6,463,662)	(1,111,591)	(7,575,253)
	--	--	(6,463,662)	--	--	119,712,476	113,248,814	3,585,843	116,834,657
Settlement of treasury shares (note 11)	--	3,396,634	--	(3,396,634)	--	--	--	--	--
Transactions with owners of the Company									
Dividend (note 12)	--	--	--	--	--	(45,658,207)	(45,658,207)	--	(45,658,207)
Changes in ownership interest:									
Acquisition of NCI without change in control (note 2)	--	--	--	--	11,835,271	--	11,835,271	(15,895,881)	(4,060,610)
Acquisition of subsidiary with NCI (note 6.3)	--	--	--	--	--	--	--	25,061,419	25,061,419
Balance as at 30 June 2026 (unaudited)	1,143,000,000	(11,588,766)	9,360,276	6,953,701	(30,159,930)	491,897,929	1,609,463,210	146,685,128	1,756,148,338


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BINDAWOOD HOLDING COMPANY

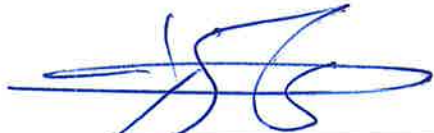
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the six-month period ended 30 June 2026

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	Attributable to the owners of the Company					Retained earnings	Total	Non-controlling interests	Total equity
	Share capital	Treasury shares reserve	Foreign currency translation reserve	Employees' share based payments reserve	Other reserve				
30 June 2025									
Balance at 1 January 2025 (audited)	1,143,000,000	(14,985,400)	5,759,055	6,850,335	(43,927,094)	302,252,320	1,398,949,216	74,771,665	1,473,720,881
Profit for the period	--	--	--	--	--	118,952,422	118,952,422	(2,751,864)	116,200,558
Other comprehensive income	--	--	13,914,397	--	--	--	13,914,397	1,945,283	15,859,680
	--	--	13,914,397	--	--	118,952,422	132,866,819	(806,581)	132,060,238
Employees' share based payments plan reserve – charged to statement of profit or loss and other comprehensive income	--	--	--	1,700,000	--	--	1,700,000	--	1,700,000
Transactions with the owners of the Company: Dividend (refer note 12)	--	--	--	--	--	(114,100,000)	(114,100,000)	--	(114,100,000)
Balance as at 30 June 2025 (unaudited)	1,143,000,000	(14,985,400)	19,673,452	8,550,335	(43,927,094)	307,104,742	1,419,416,035	73,965,084	1,493,381,119


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BINDAWOOD HOLDING COMPANY
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six-month period ended 30 June 2026

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	Notes	2026	2025
Cash flows from operating activities			
Profit for the period		124,409,910	116,200,558
Adjustments for:			
Depreciation on property and equipment		75,184,140	81,544,267
Depreciation on right-of-use assets	7	181,700,457	163,367,550
Amortization of intangible assets		8,546,222	11,226,487
Finance cost on lease liabilities	7	64,533,795	52,255,774
Interest expense on bank borrowing		7,284,126	7,479,620
Finance income on term deposits		(815,765)	(2,917,718)
Loss / (gain) on termination of lease liabilities		1,226,348	(170,377)
Gain on disposal of property and equipment		(447,998)	(3,793,373)
Provision for employees' end of service benefits		20,930,143	17,993,231
Share of loss from equity-accounted investee		5,022,797	--
Zakat and tax for the period	13	13,683,440	11,561,301
		501,257,615	454,747,320
Changes in working capital:			
Inventories		124,381,250	(30,361,714)
Trade and other receivables		(59,079,472)	(67,654,223)
Prepayments and advances		(59,059,769)	46,849,860
Due to related parties		(576,620)	(993,391)
Trade payables, accruals, and other liabilities		(55,756,005)	(22,455,984)
Unearned income and other payable		(23,190,419)	(22,008,290)
Cash generated from operating activities		427,976,580	358,123,578
Zakat and tax paid	13	(6,380,322)	(21,113,464)
Employees' end of service paid		(6,480,908)	(4,023,259)
Finance cost paid on lease liabilities	7	(64,533,795)	(52,255,774)
Net cash from operating activities		350,581,555	280,731,081
Cash flows from investing activities			
Acquisition of property and equipment		(86,000,503)	(76,039,896)
Purchase of intangible assets		--	(3,774,738)
Proceeds from sale of property and equipment		761,303	10,083,595
Investment in term deposit		--	11,812,500
Finance income on term deposits		815,765	3,544,687
Advance for acquisition of a subsidiary	2.3	(28,981,660)	--
Acquisition of subsidiary, net of cash acquired	6.3	(211,962,449)	(434,770,647)
Net cash used in investing activities		(325,367,544)	(489,144,499)
Cash flows from financing activities			
Dividend paid	12	(45,658,207)	(114,100,000)
Payment of lease liabilities	7	(160,696,084)	(153,882,808)
Proceeds from bank borrowing		304,500,000	427,000,000
Repayment of bank borrowing		(127,485,564)	(50,000,000)
Interest expense on bank borrowing		(7,793,850)	(7,293,838)
Net cash (used in) / generated from financing activities		(37,133,705)	101,723,354

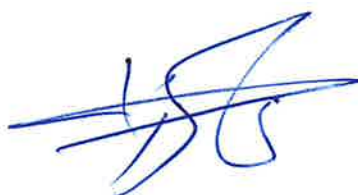
BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) (continued)

For the six-month period ended 30 June 2026

(Expressed in Saudi Arabian Riyals unless otherwise stated)

	<u>Notes</u>	<u>2026</u>	<u>2025</u>
Net decrease in cash and cash equivalents		(11,919,694)	(106,690,064)
Cash and cash equivalents at the beginning of the period		284,721,610	429,041,321
Effect of movement in exchange rate		(2,096,197)	15,859,680
Cash and cash equivalents at the end of the period	9	270,705,719	338,210,937
<u>Supplementary non-cash information:</u>			
Additions to right-of-use assets and lease liabilities	7	487,807,877	140,182,123
Lease modification during the period	7	10,392,252	7,293,458
Exchange difference on compulsory convertible debentures		515,967	580,957
Foreign currency translation differences		(2,096,197)	15,859,680



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BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For six-month period ended 30 June 2026
(Expressed in Saudi Arabian Riyals)

1. CORPORATE INFORMATION

BinDawood Holding Company (the "Company" or the "Parent Company") is a Saudi Joint Stock Company. The Company was initially registered as a Limited Liability Company in the Kingdom of Saudi Arabia ("KSA") under Commercial Registration number 4031063470 dated 16 Shaban 1432H (corresponding to 17 July 2011). The shareholders of the Company resolved to change the legal status of the Company from "Limited Liability Company" to "Closed Joint Stock Company". The Ministry of Commerce announced the conversion into a Closed Joint Stock Company on 16 Ramadan 1438H (corresponding to 11 June 2017) fully owned by majority Saudi shareholders and minority GCC nationals. During the year 2020, the Company's shares were listed on the Saudi Stock Exchange (Tadawul) in the Kingdom of Saudi Arabia.

The registered office of the Company is located at the following address:

BinDawood Holding Company
Masjid Al Haram Road
Al Azizia District
P.O. Box 5510, Makkah 21955
Kingdom of Saudi Arabia.

The Parent Company's objective is to manage its subsidiaries and provide required support to them. It also includes acquiring the required properties and movable assets for its activities, acquire, lease, and utilize industrial and commercial equity rights, patents and brand names, franchise and other abstract rights for its subsidiaries or others.

These accompanying condensed consolidated interim financial statements include the financial statements of the Parent Company and its subsidiaries (refer note 2.3), collectively referred as the "Group". The Group is principally engaged in the following activities:

- Retail trading of foodstuff and household items;
- Operating bakeries and restaurants;
- Providing information technology and communication services;
- Providing delivery, storage, and transportation services;
- Acquiring and managing investments;
- Providing market influencing and digital marketing services;
- Engaged in operating pharmacies and
- Preparation of sweets, wholesale of chocolate and cocoa, retail sale of bakery products and sugar confectionery, retail sale of chocolate and cocoa, restaurants with service, and buffets (cafeterias)

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

These condensed consolidated interim financial statements of the Company have been prepared in accordance with the International Accounting Standard ("IAS 34"), "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia ("KSA") and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For six-month period ended 30 June 2026
(Expressed in Saudi Arabian Riyals)

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

2.1 Statement of compliance (continued)

These condensed consolidated interim financial statements do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the KSA and should therefore be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended 31 December 2025 ("last annual consolidated financial statements"). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements. In addition, results for the interim period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ended 31 December 2026.

2.2 Basis of measurement

These condensed consolidated interim financial statements have been prepared using accrual basis of accounting, going concern concept and under the historical cost basis unless stated otherwise.

These condensed consolidated interim financial statements are presented in Saudi Riyals (ﷲ), which is also the Parent Company's functional and presentation currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. All amounts have been rounded to the nearest ﷲ, unless otherwise stated.

2.3 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired include, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and asset is not a business. The optional concentration test is met, if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. A gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the condensed consolidated interim statement of profit or loss and other comprehensive income.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For six-month period ended 30 June 2026

(Expressed in Saudi Arabian Riyals)

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

2.3 Basis of consolidation (continued)

Business combinations (continued)

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in the condensed consolidated interim statement of profit or loss and other comprehensive income.

Basis of consolidation

The condensed consolidated interim financial statements comprise the financial statements of the Parent Company and its subsidiaries as at 30 June 2026. 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
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights establish control. To support this presumption and 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(s) 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 condensed consolidated interim financial statements 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 ("OCI") 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 the subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

2.3 Basis of consolidation (continued)

Basis of consolidation (continued)

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 related assets (including goodwill), liabilities, non-controlling interest, and other components of equity, with any resultant gain or loss is recognised in condensed consolidated interim statement of profit or loss and other comprehensive income. Any investment retained is recognised at fair value.

Accounting policies of subsidiaries are aligned, where necessary, to ensure consistency with the policies adopted by the Group. The Parent Company and its subsidiaries have the same reporting periods.

Goodwill

Goodwill represents the difference between the cost of businesses acquired and the Group's share in the net fair value of the acquiree's identifiable assets, liabilities, and contingent liabilities at the date of acquisition. Goodwill arising on acquisitions is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment loss on goodwill is not reversed.

Non-controlling interests

Non-controlling interests (NCI) are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into ₪ at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into ₪ at the average exchange rate for the period in consideration.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

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2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

2.3 Basis of consolidation (continued)

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

These condensed consolidated interim financial statements include the financial statements of the Parent Company and the following subsidiaries:

<u>Name</u>	<u>Place of incorporation</u>	<u>Principal field of activity</u>	<u>Effective shareholding of the Parent Company %</u>	
			<u>30 June 2026</u>	<u>31 December 2025</u>
BinDawood Superstores Trading Company (A Limited Liability Company)	Makkah, Saudi Arabia	Engaged in retail trading of foodstuff and household items	100%	100%
Danube Company for Foodstuffs and Commodities (A Limited Liability Company)	Jeddah, Saudi Arabia	Engaged in retail trading of foodstuff and household items	100%	100%
Danube Star for Bakeries and Marketing Company (A Limited Liability Company)	Jeddah, Saudi Arabia	Wholesale of bakery and related products to commercial supermarkets	100%	100%
Future Retail for Information Technology Company (A Limited Liability Company)	Jeddah, Saudi Arabia	Acquiring and managing investments in subsidiaries	100%	100%
Jumairah Trading Company (A Limited Liability Company)	Jeddah, Saudi Arabia	Engaged in wholesale and retail trading of luggage bags, food, toys, and household items	100%	100%
Zahrat Al Rawdah Pharmacies Company LLC (A Limited Liability Company)	Riyadh, Saudi Arabia	Engaged in operating pharmacies	100%	100%

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

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2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

2.3 Basis of consolidation (continued)

Transactions eliminated on consolidation (continued)

<u>Name</u>	<u>Place of incorporation</u>	<u>Principal field of activity</u>	<i>Effective shareholding of the Parent Company %</i>	
			30 June 2026	31 December 2025
Toy Triangle Closed Joint Stock Company	Jeddah, Saudi Arabia	Engaged in wholesale trading of children's toys	51%	51%
Vaza Food Closed Joint Stock Company	Riyadh, Saudi Arabia	Preparation of sweets, wholesale of chocolate and cocoa, retail sale of bakery products and sugar confectionery, retail sale of chocolate and cocoa, restaurants with service, and buffets (cafeterias)	51%	--

Future Retail for Information and Technology Company has the following subsidiaries:

<u>Name</u>	<u>Place of incorporation</u>	<u>Principal field of activity</u>	<i>Effective shareholding of the Parent Company %</i>	
			30 June 2026	31 December 2025
International Applications Trading Company (A Limited Liability Company)	Jeddah, Saudi Arabia	Providing information technology and communication services	62%	62%
Future Tech Retail – France	Paris, France	Acquiring and managing investments in subsidiaries	84.77%	84.77%

<u>Name</u>	<u>Place of incorporation</u>	<u>Principal field of activity</u>	<i>Effective shareholding of the Parent Company %</i>	
			30 June 2026	31 December 2025
Amjad United Investment and Development Company	Jeddah, Saudi Arabia	Providing delivery services including transportation and storage of goods	62%	62%
First Commercial Applications Company	Jeddah, Saudi Arabia	Providing information technology and communication services	62%	62%

BINDAWOOD HOLDING COMPANY
(A Saudi Joint Stock Company)

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2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

2.3 Basis of consolidation (continued)

Transactions eliminated on consolidation (continued)

International Applications Trading Company has the following subsidiaries (continued):

<u>Name</u>	<u>Place of Incorporation</u>	<u>Principal field of activity</u>	<i>Effective shareholding of the Parent Company %</i>	
			30 June 2026	31 December 2025
Future Flower Trading Company	Jeddah, Saudi Arabia	Engaged in wholesale and retail of other merchandise	62%	62%
Ghalya Management Company for Loyalty Commercial Services	Jeddah, Saudi Arabia	Providing loyalty management services	62%	62%
The Creative Building Real Estate Company	Jeddah, Saudi Arabia	Warehouse storage management and rental	62%	62%

Future Tech Retail - France has the following subsidiaries:

<u>Name</u>	<u>Place of Incorporation</u>	<u>Principal field of activity</u>	<i>Effective shareholding of the Parent Company %</i>	
			30 June 2026	31 December 2025
Ykone S.A.S (Limited Liability Company)	Paris, France	Engaged in providing market influencer and digital marketing services	84.77%	83.58%
Oddly Enough SAS	Paris, France	Engaged in providing market influencer and digital marketing services	84.77%	83.58%
Ykone Limited	Abu Dhabi, United Arab Emirates	Engaged in providing market influencer and digital marketing services	84.77%	83.58%
Ykone USA Inc.	Wilmington (DE), United States of America	Engaged in providing market influencer and digital marketing services	84.77%	83.58%
Ykone SARL	Geneva, Switzerland	Engaged in providing market influencer and digital marketing services	84.77%	83.58%

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(Expressed in Saudi Arabian Riyals)

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

2.3 Basis of consolidation (continued)

Transactions eliminated on consolidation (continued)

Future Tech Retail has the following subsidiaries (continued):

<u>Name</u>	<u>Place of incorporation</u>	<u>Principal field of activity</u>	<u>Effective shareholding of the Parent Company %</u>	
			<u>30 June 2026</u>	<u>31 December 2025</u>
Ykone Saudi for Advertisement	Riyadh, Saudi Arabia	Engaged in providing market influencer and digital marketing services	84.77%	83.58%
New Media Agency S.r.l	Milan, Italy	Engaged in providing market influencer and digital marketing services	84.77%	83.58%
New Media Agency Social S.r.l	Milan, Italy	Engaged in providing market influencer and digital marketing services	84.77%	83.58%
Cover Communications GmbH	Landsbergam Lech, Germany	Engaged in providing market influencer and digital marketing services	84.77%	83.58%
Shanghai Ykone Commerce Consulting Company Limited	Shanghai, China	Engaged in providing market influencer and digital marketing services	52.77%	52.24%
Ykone Asia Limited	Hongkong, China	Engaged in providing market influencing and digital marketing services	52.77%	52.24%
Ykone UK Limited	London, United Kingdom	Engaged in providing market influencing and digital marketing services	84.77%	83.58%
Barcode Influencer Marketing Private Limited	Mumbai, India	Engaged in providing market influencer and digital marketing services	72.05%	71.05%
The Digital Prototype S.A.S (Limited Liability Company)	Paris, France	Engaged in providing market influencer and digital marketing services	64.42%	63.52%

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2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

2.3 Basis of consolidation (continued)

Transactions eliminated on consolidation (continued)

Future Tech Retail has the following subsidiaries (continued):

<u>Name</u>	<u>Place of incorporation</u>	<u>Principal field of activity</u>	<u>Effective shareholding of the Parent Company %</u>	
			<u>30 June 2026</u>	<u>31 December 2025</u>
Alaska	Paris, France	Engaged in providing market influencer and digital marketing services	84.77%	83.58%
Mirror Mirror	Paris, France	Engaged in providing multimedia production services	84.77%	83.58%
Lovecraft	Paris, France	Engaged in providing photography production and artist photographer representation agency services	84.77%	83.58%
Ykone Sp	Spain	Engaged in providing multimedia production services	63.58%	--
Ykone Zurich	Zurich, Switzerland	Engaged in providing multimedia production services	64.42%	--
By Select	Dubai, United Arab Emirates	Engaged in providing multimedia production services	69.51%	--

Future Tech Retail – France previously held a 98.6% ownership interest in Ykone S.A.S. and its subsidiaries. Following the General Meeting held on 4 May 2026, the Group repurchased the remaining 4,800 shares (representing a 1.4% ownership interest) held by the non-controlling shareholders. The total consideration paid for the acquisition amounted to €18,343 corresponding to ₪ 80,709, which was determined based on the company's 2018 valuation in accordance with the company's bylaws and the shareholders' agreement. As the transaction did not result in a change of control, it was accounted for as an equity transaction in accordance with IFRS 10. Accordingly, the carrying amount of the non-controlling interest acquired was derecognized, and the difference between the carrying amount of the non-controlling interest and the consideration paid, amounting to ₪ 15.89 million, was recognized directly in other reserves attributable to the owners of the parent.

Following the completion of the transaction, Future Tech Retail – France holds 100% ownership of Ykone S.A.S. and its subsidiaries. As a result, the effective ownership interest of BinDawood Holding in the aforementioned subsidiaries has increased accordingly.

BINDAWOOD HOLDING COMPANY
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2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

2.3 Basis of consolidation (continued)

Transactions eliminated on consolidation (continued)

Toy Triangle Closed Joint Stock Company ("TTC") has the following subsidiaries:

<u>Name</u>	<u>Place of incorporation</u>	<u>Principal field of activity</u>	<u>Effective shareholding of the Parent Company %</u>	
			<u>2026</u>	<u>2025</u>
Toy Triangle L.L.C	Dubai, United Arab Emirates	Engaged in wholesale trading of children's toys	51%	51%
Toy Triangle LTD Qatar WLL	Doha, Qatar	Engaged in wholesale trading of children's toys	30.60%	30.60%
Toy Triangle for Kids Toys and Tools Company (A Limited Liability Company)	Kuwait	Engaged in wholesale trading of children's toys	30.60%	30.60%

Vaza Food Closed Joint Stock Company ("Vaza") has the following subsidiary:

<u>Name</u>	<u>Place of incorporation</u>	<u>Principal field of activity</u>	<u>Effective shareholding of the Parent Company %</u>	
			<u>2026</u>	<u>2025</u>
Atbaq Company for Innovative Food	Riyadh, Saudi Arabia	Preparation of sweets, wholesale of chocolate and cocoa, retail sale of bakery products and sugar confectionery, retail sale of chocolate and cocoa, restaurants with service, and buffets (cafeterias)	39.53%	--

Wonder Bakery L.L.C

On 23 December 2025, corresponding to 6 Rajab 1447H the Company entered into a Share Sale and Purchase Agreement (SPA) with individual shareholders ("The Seller") to acquire 51% of Wonder Bakery L.L.C ("Bakery") in the United Arab Emirates (UAE), with an equity valuation of AED 190 million. This deal is referred to as a "Potential Acquisition or Transaction" and is pending regulatory approvals.

The total consideration for the shares amounts to AED 96.9 million, which will be paid as follows 30% advance payment amounting ₪ 28.98 million as a deposit upon the signing of the SPA, with the remaining amount to be paid later, subject to specific adjustments outlined in the SPA.

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2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

2.4 Significant accounting judgements, estimates and assumptions

In preparing these condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets and liabilities, income and expense and accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The Group based its assumptions and estimates on parameters available when the condensed consolidated interim financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The significant judgments exercised in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements for the year ended December 31, 2025. The management will continue to monitor the situation, and any changes required will be reflected in future reporting periods.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies and methods of calculation adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Company's last annual consolidated financial statements as at and for the year ended 31 December 2025.

4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

a) Standards, interpretations, and amendments issued

This table lists the recent changes to the Standards that are required to be applied for an annual period beginning on or after 1 January 2026.

<u>Standard / Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning after the following date</u>
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments (amendments to IFRS 9 and IFRS 7)	1 January 2026
IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	1 January 2026

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4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

b) Standards, interpretations, and amendments issued but not yet effective

The standards, interpretations and amendments issued, but not yet effective up to the date of issuance of the condensed interim financial statements are disclosed below. The Group intends to adopt these standards, where applicable, when they become effective.

<u>Standard / Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
IFRS 18	Presentation and disclosure in financial statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

The standards, interpretations, and amendments with effective date of 1 January 2026, the Group is currently assessing the implications on the Company's consolidated interim financial statements on adoption.

c) IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after 1 January 2027. The Group has not early adopted IFRS 18 in preparing these interim financial statements, although early adoption is permitted.

The Group is currently evaluating the impact that the initial application of IFRS 18 will have on its consolidated financial statements.

IFRS 18 introduces a revised presentation of the statement of profit or loss by requiring entities to classify income and expenses into five categories: operating, investing, financing, income taxes (zakat and income tax, where applicable), and discontinued operations. The classification is based on the entity's main business activities. The Group has concluded that investing in assets and providing financing to customers are not its specified main business activities.

The adoption of IFRS 18 is not expected to affect the Group's net profit or net assets. However, the standard introduces two new mandatory subtotals: operating profit and profit before financing and income taxes. As a result, the Group expects changes to the presentation and structure of its statement of profit or loss, primarily due to the revised classification and presentation requirements under IFRS 18.

i. Statement of Profit or Loss and Other Comprehensive Income under IFRS 18

- Under the current accounting policy, finance income and finance expenses are presented as separate line items in the income statement. IFRS 18 introduces specific requirements for classifying these items between the investing and financing categories, depending on their nature.
- Interest costs relating to employee benefit obligations, which are currently included within employee costs, will be reclassified and presented as finance costs under IFRS 18

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4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

c) IFRS 18 – Presentation and Disclosure in Financial Statements (continued)

i. Statement of Profit or Loss and Other Comprehensive Income under IFRS 18 (continued)

- Currently, net foreign exchange losses are presented within finance costs and included in the net finance costs subtotal. Under IFRS 18, foreign exchange differences must be presented in the same category as the income and expenses of the underlying transaction or item that gives rise to them. Based on its assessment, the Group expects foreign exchange differences to be presented within both the operating and financing categories. For example, foreign exchange gains or losses arising from trade receivables and trade payables will be classified within the operating category.

ii. Management defined performance measures

Management-defined performance measures (MPMs) are subtotals of income and expenses that are presented in public communications outside the financial statements to reflect management's view of the Group's financial performance. IFRS 18 requires entities to disclose specified information about these measures in a single note to the financial statements.

The Group is currently assessing which public communications should be considered when identifying MPMs. As MPMs must relate to the same reporting period as the financial statements, the MPM disclosures following the adoption of IFRS 18 will be based on the Group's public communications issued in respect of the 2027 interim reporting period.

iii. Principles of Aggregation and Disaggregation

IFRS 18 enhances the principles for aggregating and disaggregating information in both the primary financial statements and the accompanying notes. It also introduces guidance on the labelling and description of items presented in the financial statements and disclosed in the notes.

The Group is assessing the classification and presentation of line items based on their similar and dissimilar characteristics. As a result, it expects to present line items in a manner that provides more meaningful summaries in the primary financial statements, supported by additional material information in the notes where appropriate.

The Group is also reviewing line items currently described as "other" and expects to replace them with more specific and informative descriptions where necessary.

iv. Presentation of Cash Flows under IFRS 18

The Group currently prepares its statement of cash flows using the indirect method. Upon adoption of IFRS 18, the reconciliation of profit to net cash flows from operating activities will be required to commence with the newly defined operating profit subtotal, replacing the current starting point of profit for the year/period.

IFRS 18 also introduces revised requirements for the classification of interest and dividend cash flows. Based on its preliminary assessment, the Group expects interest paid to be classified as a financing activity instead of an operating activity. The classification of interest received, dividends received, and dividends paid is not expected to change and will continue to be presented within investing, investing, and financing activities, respectively

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5. SEGMENT INFORMATION

Whilst the Group is engaged in retail trading of foodstuff and household items, operating bakeries and restaurants, providing information technology and communication services, providing delivery, storage and transportation services, acquiring and managing investments and providing market influencing and digital marketing services, the management has concluded that except for retail trading of consumer goods all other lines of businesses are less than 10% of combined revenue, profit or loss and assets of the Group. The management has also concluded that at present more than 90% of the Group's operations are conducted within the Kingdom of Saudi Arabia.

The Group is required to determine and present its operating segments based on the way in which financial information is organised and reported to the chief operating decision-maker (CODM). The CODM has been identified as the Board of Directors, as this makes the key operating decisions of the Group and is responsible for allocating resources and assessing performance.

Key internal reports received by the CODM, primarily the management accounts, focus on the performance of the Group as a whole. The operations of all elements of the business are driven by the retail sales environment and hence have fundamentally the same economic characteristics. All operational decisions made are focused on the performance and growth of the retail outlets and the ability of the business to meet the supply demands of the stores.

The Group has considered the overriding core principles of IFRS 8 'Operating segments' as well as its internal reporting framework, management, and operating structure. The Directors' conclusion is that the Group has one reportable segment, that of retailing.

Performance is measured by the CODM based on profit before Zakat as reported in the management accounts. Management believes that this measure is the most relevant in evaluating the results of the Group. As such, assets and segment liabilities are neither included in the internal management reports nor provided regularly to the management.

6. INTANGIBLE ASSETS AND GOODWILL

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Customer relationship and customer list (note 6.1)	9,380,692	12,389,642
Brands (note 6.1)	84,966,837	89,371,693
Technology (note 6.2)	55,018,127	93,995,320
Goodwill on acquisition of the IATC	89,530,807	89,503,807
Goodwill on acquisition of the Ykone	133,247,935	133,247,935
Goodwill on acquisition of Alaska and Digital prototype	46,981,388	46,981,388
Goodwill on acquisition of JTC	102,830,807	102,830,807
Goodwill on acquisition of Zahrat	206,307,975	206,307,975
Goodwill on acquisition of Toy Triangle	6,540,433	6,540,433
Goodwill on acquisition of Vaza (note 6.3)	191,731,534	--
Goodwill on acquisition of Ykone Zurich and By Select	2,612,116	--
Effect of movement in exchange rates on goodwill	1,170,319	9,508,422
	<u>930,318,970</u>	<u>790,677,422</u>

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6. INTANGIBLE ASSETS AND GOODWILL (continued)

- 6.1** Brands, customer relationships and customer list were acquired as part of business combinations. They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line method over their estimated useful lives.
- 6.2** Technology consists primarily of software for online retail mobile applications, their respective websites, computer software and the loyalty engine amounting to ₪ 24.53 million (31 December 2025: ₪ 36.16 million) and software enhancements for the ongoing software development costs amounting to ₪ 14.38 million (31 December 2025: ₪ 42.25 million) and it is expected to be completed during 2026 and the remaining technology amounting to ₪ 16.11 million (31 December 2025: ₪ 15.58 million) was acquired as part of business combinations and it was recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line method over their estimated useful lives.
- 6.3** On 6 April 2026, corresponding to 16 Shawwal 1447H the Company entered into a Share Purchase Agreement (SPA) for the acquisition of 51% of the shares in Vaza Food Company (“Vaza”) in the Kingdom of Saudi Arabia (KSA) valued at ₪ 217.9 million. The related legal formalities were completed on 01 June 2026. The acquisition has been accounted for under acquisition method resulting in provisional goodwill amounting to ₪ 191.73 million, subject to the completion of purchase price allocation exercise being conducted by an external consultant.

From the date of acquisition to the period ended 30 June 2026 acquiree contributed revenue of ₪ 14.55 million and a profit of ₪ 2 million to the Group’s results. If the acquisition had occurred on 1 January 2026, management estimates that total revenue contribution would have been ₪ 100.28 million, and profit contribution would have been ₪ 17.20 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2026.

The Group incurred acquisition related costs of ₪ 0.55 million on legal fees and due diligence costs and the management has included these costs under ‘General and Administration expenses’ in the condensed consolidated statement of profit or loss and other comprehensive income.

Consideration transferred

The following table summarises the acquisition date fair value of consideration transferred.

	<u>Amount in ₪</u>
Consideration transferred	<u>217,815,854</u>

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6. INTANGIBLE ASSETS AND GOODWILL (continued)

The following table summarises the recognised amounts of identifiable assets acquired and liabilities assumed at the date of acquisition.

<u>Net Assets</u>	<u>01 June 2026</u> (ﷲ)
Property and equipment	17,164,013
Right-of-use assets	16,129,421
Intangibles	212,812
Inventories	16,384,162
Trade receivables	17,619,284
Prepayments and other receivables	8,399,841
Cash and cash equivalents	5,853,405
Lease liabilities	(14,740,900)
Trade payables, accruals, and other liabilities	(13,863,565)
Due to related parties	(378,910)
Zakat payable	(429,895)
Employees' end of service benefit	(1,026,376)
Non-controlling interest	(177,553)
Total identifiable net assets acquired	<u>51,145,739</u>

Goodwill arising from the acquisition has been recognised as follows:

	Amount in ﷲ
Consideration transferred	217,815,854
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities	25,061,419
Fair value of identifiable net assets	<u>(51,145,739)</u>
Goodwill	<u>191,731,534</u>

The Group will be engaging an external consultant for the purpose of Purchase Price Allocation ("PPA") in respect of the acquisition made during the period ended 30 June 2026. However, the Group has considered the carrying amounts at the date of acquisition as the provisional fair values of the net assets acquired and calculated a provisional value of goodwill on acquisition. These amounts are provisional subject to the finalization of PPA.

Adjustments to the carrying values will be finalized within one year of the date of acquisition as allowed by IFRS 3 'Business Combinations'.

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7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

7.1 Right-of-use assets

The reconciliation and carrying amount of the right-of-use asset is as follows:

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Balance at beginning of the period	2,196,709,461	1,984,302,496
Additions	487,807,877	140,182,123
Acquisition through business combination (note 6.3)	16,129,421	122,410,881
Depreciation	(181,700,457)	(163,367,550)
Derecognition of right-of-use assets	(3,960,415)	(5,103,560)
Lease modifications	10,392,252	7,293,458
Effect of movement in exchange rates	(399,266)	1,042,486
Balance at end of the period	<u>2,524,978,873</u>	<u>2,086,760,334</u>

7.2 Lease liabilities

Movement in lease liability over the period is as follows:

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Lease liability at beginning of the period	2,497,541,618	2,293,055,973
Additions	487,807,877	139,771,966
Acquisition through business combination (note 6.3)	14,740,900	114,447,503
Lease terminated	(2,788,802)	(5,273,937)
Lease modification	10,446,987	7,293,458
Finance cost	64,533,795	52,255,774
Payment of lease liabilities	(225,229,879)	(206,138,582)
Effect of movement in exchange rates	(396,472)	984,186
Lease liability at end of the period	<u>2,846,656,024</u>	<u>2,396,396,341</u>

Lease liabilities have been presented in the condensed consolidated interim statement of financial position as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Lease liabilities – non-current portion	2,532,642,207	2,204,609,377
Lease liabilities – current portion	<u>314,013,817</u>	<u>292,932,241</u>
	<u>2,846,656,024</u>	<u>2,497,541,618</u>

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8. RELATED PARTY TRANSACTIONS AND BALANCES

Parent and ultimate controlling party

The Company's ultimate parent and controlling party is Akasiya Star Trading Company.

Related parties

Related parties comprise the shareholders, key management personnel, directors, and businesses, which are controlled directly or indirectly or influenced by the shareholders, directors, or key management personnel. The Group enters into various transactions with its related parties. Terms and conditions of these transactions are approved by the Board of Directors. The parties listed below are classified as related parties in accordance with the local Company Law issued by the Ministry of Commerce.

8.1 Key management personnel compensation

The remunerations of directors and other key management personnel are as follows:

<u>Nature of transaction</u>	<u>Transactions for the six-month period ended 30 June</u>	
	<u>2026</u> (Unaudited)	<u>2025</u> (Unaudited)
Board of Director's remuneration	<u>3,515,000</u>	3,367,210
Salaries and other short-term benefits	<u>28,103,746</u>	32,868,042
Post-employment benefits	<u>1,526,743</u>	963,284
Share based payments	<u>--</u>	<u>1,458,522</u>

As at 30 June 2026, the amount due to key management personnel is ﷲ 10.89 million.

8.2 Related party transactions and balances

The aggregate value of related party transactions and outstanding balances are as follows:

Due to related parties:

<u>Name</u>	<u>Relationship</u>	<u>Nature of transaction</u>	<u>Transactions for the six-month period ended 30 June</u>		<u>Closing Balance</u>	
			<u>2026</u> (Unaudited)	<u>2025</u> (Unaudited)	<u>30 June 2026</u> (Unaudited)	<u>31 December 2025</u> (Audited)
		Lease payment for warehouse and head office	<u>324,500</u>	--		
		Shared service fee	<u>1,527,259</u>			
		Purchases of goods	<u>1,677,325</u>	--		
Saudi Convenience Company	Joint venture	Expenses paid on behalf of JV	<u>8,132</u>	--	<u>34,125</u>	--

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8. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

8.2 Related party transactions and balances (continued)

The aggregate value of related party transactions and outstanding balances are as follows:

Due to related parties (continued):

<u>Name</u>	<u>Relationship</u>	<u>Nature of Transaction</u>	<u>Transactions for the six-month period ended 30 June</u>		<u>Closing Balance</u>	
			<u>2026</u> (Unaudited)	<u>2025</u> (Unaudited)	<u>30 June 2026</u> (Unaudited)	<u>31 December 2025</u> (Audited)
BinDawood Investment Company	Under common ownership of the Group's shareholder	Shared service fee	526,480	516,157	--	--
National Leader for Real Estate Company Limited	Under common ownership of the Group's shareholder	Lease payment for stores	27,776,275	27,776,275	--	--
Safa Company Limited for Household Ware	Under common ownership of the Group's shareholder	Purchases of goods	2,379,025	1,987,249	2,175,075	2,978,689
Amwaj Real Estate Company	Under common ownership of the Group's shareholder	Lease payment for stores	18,851,570	20,073,850	--	--
					<u>2,209,200</u>	<u>2,978,689</u>

As at 30 June 2026, the lease liabilities as disclosed in note 7 include an amount of ₪ 658.2 million (31 December 2025: ₪ 311.13 million) which relates to lease arrangements entered by the Group with its related parties.

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9. CASH AND CASH EQUIVALENTS

	30 June <u>2026</u> (Unaudited)	31 December <u>2025</u> (Audited)
Cash in hand	24,028,525	20,645,602
Cash at banks - current accounts	231,453,023	250,334,616
Short term deposits (refer note 9.1)	15,224,171	13,741,392
	<u>270,705,719</u>	<u>284,721,610</u>

- 9.1** The short-term deposits are under Wakala and Murabaha arrangements (Islamic short-term deposit products) with local and foreign banks to earn profits which is classified in finance income. These short-term deposits are held for original maturity period of three months or less. The profit rate on these short-term deposits range from 3.55% to 3.75% per annum (2025: 3.70% to 5% per annum).

10. SHARE CAPITAL

As at 30 June 2026, the share capital of the Parent Company amounts to ₪ 1.14 billion consisting of 1.14 billion shares of ₪ 1 each (31 December 2025: 1.14 billion shares of ₪ 1 each).

11. EMPLOYEES' SHARE BASED PAYMENT RESERVE

Under the Restricted Share Plan, the Company offers a share based award plan to its approved eligible employees that meet a pre-determined approved criterion. The Plan has been introduced as part of the Company's strategic vision to motivate and retain the existing employees and attract the best competencies, therefore, in these condensed consolidated interim financial statements, the fair value of the employee services received are measured by reference to the fair value of the share award granted to them. Fair value per share on grant date is the closing price per share on Tadawul as at the grant date. The vesting period under the share-based payment plan concluded on 31 December 2025. In accordance with the terms of the plan, one-third of the vested shares are issued to eligible employees commencing from 2026.

12. DIVIDEND

On 10 May 2026 corresponding to 23 Dhul Qadah 1447, the Board of Directors of the Company approved the cash dividend for the second half of the financial year 2025 amounting to ₪ 0.04 per share. The record date for determining shareholders eligible to receive the dividend was set as 7 June 2026 and the distribution date was set for 21 June 2026.

13. ZAKAT AND TAX

	30 June <u>2026</u> (Unaudited)	30 June <u>2025</u> (Unaudited)
Zakat for the period (note 13.1)	11,382,990	10,197,567
Tax on profits of foreign subsidiaries	2,300,450	1,363,734
	<u>13,683,440</u>	<u>11,561,301</u>

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13. ZAKAT AND TAX (continued)

13.1 Charge for the period

The Zakat charge consists of:

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Provision for the period	11,382,990	10,197,567

The movement in the Zakat provision during the period is as follows:

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Balance at beginning of the period	24,927,318	19,869,799
Acquisitions through business combinations (note 6.3)	429,895	7,270,378
Charge for the period	11,382,990	11,561,301
Payments during the period	(4,079,872)	(21,113,464)
At end of the period	32,660,331	17,588,014

13.2 Status of assessments

The subsidiaries along with the Parent Company have filed its Zakat declaration on a standalone basis until 2015. From 2016 onwards, the Parent Company started filing the consolidated Zakat declarations for all wholly owned subsidiaries. Consolidated Zakat declaration together with the information declarations for wholly owned subsidiaries for 2016 to 2025 have already been submitted. The Parent Company has also obtained a Zakat certificate valid until 30 April 2027.

All assessments of parent as well as subsidiaries are finalized with the ZATCA until 31 December 2023.

14. EARNINGS PER SHARE

The calculation of basic earnings per share has been based on the following profit attributable to the shareholders and weighted-average number of ordinary shares outstanding (refer note 10).

	Three-month period ended 30 June		Six-month period ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
Profit for the period	49,584,089	51,829,084	119,712,476	118,952,422
Issued ordinary shares	1,143,000,000	1,143,000,000	1,143,000,000	1,143,000,000
Weighted average number of ordinary shares for basic and diluted EPS	1,141,190,196	1,141,000,000	1,141,190,196	1,141,000,000
Earnings per share – basic and diluted	0.04	0.05	0.10	0.10

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15. BANK BORROWING

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Non-current liability		
Islamic Murabaha and Tawarruq	378,000,000	150,000,000
Current liabilities		
Islamic Murabaha and Tawarruq	<u>115,637,370</u>	<u>166,622,934</u>

In 2025, the Group secured Sharia-compliant Murabaha financing facility of ₪ 400 million from Emirates NBD Bank. The facility was obtained to partially finance the acquisition of 100% equity interest in Zahrat Al Rawdah Pharmacies Company LLC. Further during the period ended 30 June 2026 the Group secured a Sharia compliant Murabaha Financing from Arab National Bank and Emirates NBD Bank to fund the acquisition of 51% of the shares of Vaza food Company amounting to ₪ 217.8 million. These finances does not include any financial covenants. The facility carries finance charges at the prevailing market rates.

The subsidiary of BinDawood Holding Toy Triangle Joint Stock Company has existing Islamic Murabaha and Tawarruq facilities from local banks amounting to ₪ 21.13 million. These are repaid in installments upon maturity.

16. COMMITMENTS AND CONTINGENT LIABILITIES

- a) The Group has outstanding letters of credit to import goods amounting to ₪ 14.95 million as at 30 June 2026 (31 December 2025: ₪ 11.85 million) and outstanding letters of guarantee amounting to ₪ 18.08 million as at 30 June 2026 (31 December 2025: ₪ 18.34 million). The company has contingent liability amounting to ₪ Nil (31 December 2025: ₪ 5.50 million).
- b) As at 30 June 2026, the Group has future capital commitments amounting to ₪ 48.37 million (31 December 2025: ₪ 32.83 million). Further the Group has annual lease commitments totaling ₪ 9.97 million as at 30 June 2026 (31 December 2025: ₪ 9.33 million) relating to branch rentals.
- c) The Parent Company has provided corporate guarantees amounting to ₪ 69.36 million (31 December 2025: ₪ 69.36 million) to banks in respect of banking facilities obtained within the Group.

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17. FINANCIAL INSTRUMENTS – FAIR VALUES

Accounting classification and fair values

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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date.

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

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.

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

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 assets or liabilities that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred

The fair values of financial instruments are not materially different from their carrying values.

30 June 2026 (unaudited)	Level 1	Level 2	Level 3	Total
Investment at fair value through other comprehensive income	<u>--</u>	<u>--</u>	<u>37,481,260</u>	<u>37,481,260</u>
Compulsory convertible debentures at fair value through profit or loss	<u>--</u>	<u>--</u>	<u>10,768,118</u>	<u>10,768,118</u>

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17. FINANCIAL INSTRUMENTS – FAIR VALUES (continued)

31 December 2025 (Audited)	Level 1	Level 2	Level 3	Total
Investment at fair value through other comprehensive income	--	--	37,481,260	37,481,260
Compulsory convertible debentures at fair value through profit or loss	--	--	11,284,085	11,284,085

The following methods and assumptions were used to estimate the fair values:

The fair value of the 'Investment at fair value through other comprehensive income has been estimated using a Discounted Cash Flow model (DCF). The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for this investment.

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 30 June 2026 and 31 December are shown below:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Input used</u>	<u>Sensitivity of the input to fair value</u>
Investment at fair value through other comprehensive income	DCF Method	Terminal growth rate	3%	0.25% increase in the growth rate would result in an increase in fair value by ₪ 0.72 million.
				0.25% decrease in the growth rate would result in a decrease in fair value by ₪ 0.70 million.
		Weighted average cost of capital	16.75%	0.25% increase in the WACC would result in decrease in fair value by ₪ 1.54 million.
				0.25% decrease in the WACC would result in an increase in fair value by ₪ 1.61 million.

There were no transfers between levels of the fair value hierarchy during the period ended 30 June 2026 and for the year ended 31 December 2025. Additionally, there were no changes in the valuation techniques.

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18. FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise of due to related parties and trade payables, accruals, and other liabilities. The Group has financial assets such as trade receivables, other receivables and cash and bank balances. The Group's financial assets and liabilities arise directly from its operations.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Credit risk

Credit risk is the risk that one party will fail to discharge an obligation and will cause the other part to incur a financial loss. The Group's exposure to credit risk on its bank balances, trade and other receivables is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Bank balances	231,453,023	250,334,616
Short-term deposits	15,224,171	13,741,392
Trade and other receivables	444,612,335	330,972,163
	<u>691,289,529</u>	<u>595,048,171</u>

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. At 30 June 2026, trade receivables are stated at their estimated realizable values.

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18. FINANCIAL RISK MANAGEMENT (continued)

Trade and other receivables (continued)

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale, retail or end-user customer, their geographic location, industry, trading history with the Group and existence of previous financial difficulties. Before accepting any credit customers, the Group has its own credit policy to assess the potential customer's credit quality and defines the credit limits for the new customer. These policies are reviewed and updated regularly. Moreover, the Group seeks to manage the credit risk by monitoring outstanding receivables on an ongoing basis.

Cash and cash equivalents and short term deposits

The Group held cash and cash equivalents amounting to ₪ 246.67 million at 30 June 2026 (31 December 2025: ₪ 264.07 million) with bank and financial institution counterparties. The credit risk in respect of bank balances is considered by management to be insignificant, as the balances are mainly held with reputable banks in the Kingdom of Saudi Arabia.

Guarantees

The Group has provided financial corporate guarantees to its subsidiaries. At 30 June 2026 the Group has issued a corporate guarantee to certain banks in respect of credit facilities granted to certain subsidiaries (note 16).

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows related to trade and other payables. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available by way of cash and cash equivalents and / or committed credit facilities to meet any future commitments.

Exposure to Liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.

<u>30 June 2026</u>	<u>Carrying Amount</u>	<u>Contractual cash flows</u>			<u>Total</u>
		<u>Less than one year</u>	<u>Within one to five years</u>	<u>More than five years</u>	
Trade payables, accruals, and other liabilities	1,356,052,538	1,356,052,538	--	--	1,356,052,538
Lease liabilities	2,846,656,024	459,226,224	1,512,512,603	1,498,570,021	3,470,308,848
Bank borrowing	493,637,370	115,637,370	378,000,000	--	493,637,370
Due to related parties	2,209,200	2,209,200	--	--	2,209,200
Other payable	2,008,022	2,008,022	--	--	2,008,022
	<u>4,700,563,154</u>	<u>1,935,133,354</u>	<u>1,890,512,603</u>	<u>1,498,570,021</u>	<u>5,324,215,978</u>

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18. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

Exposure to Liquidity risk (continued)

31 December 2025	Carrying Amount	Contractual cash flows			Total
		Less than one year	Within one to five years	More than five years	
Trade payables, accruals, and other liabilities	1,395,210,028	1,395,210,028	--	--	1,395,210,028
Bank borrowings	316,622,934	166,622,934	150,000,000	--	316,622,934
Lease liabilities	2,497,541,617	380,909,246	1,266,116,763	1,436,795,177	3,083,821,186
Due to related parties	2,978,689	2,978,689	--	--	2,978,689
Other payable	1,905,728	1,905,728	--	--	1,905,728
	<u>4,214,258,996</u>	<u>1,947,626,625</u>	<u>1,416,116,763</u>	<u>1,436,795,177</u>	<u>4,800,538,565</u>

Market risk

Market risk is the risk that changes in market prices - e.g., foreign exchange rates, interest rates and equity 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.

Market risk comprises three types of risk: commission rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The Group is not exposed to other price risks.

Commission rate risk

Commission rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing commission rates on the Group's financial position and cash flows. The Group manages the commission rate risk by regularly monitoring the commission rate profiles of its commission bearing financial instruments. There are no commission bearing financial assets and liabilities at the reporting date and therefore there is no commission rate sensitivity at the reporting date.

Currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables, and borrowings are denominated and the respective functional currencies of Group companies. The functional currency of most of the Group subsidiaries is primarily the Saudi Riyal. The Group did not undertake significant transactions in currencies other than Saudi Riyals, Euros and US Dollars. Trade payables and accruals include an amount of ₪ 28.7 million (31 December 2025: ₪ 39.72 million) due in Euros. As the Saudi Riyal is pegged to the US Dollar, therefore currency denominated in US Dollar is not considered to represent significant foreign currency risk.

A reasonably possible strengthening (weakening) of the euro against all other currencies at 30 June 2026 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

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19. CAPITAL MANAGEMENT

The Group's objective when managing capital is to safeguard its ability to continue as a going concern so that it can provide returns for its shareholders and benefits for other stakeholder; and at the same time maintain a strong capital base to support the sustained development of its businesses.

The Group manages its capital structure by monitoring return on net assets and makes adjustments in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares. The Group also manages capital by using gearing ratio, which is total liabilities, less cash and cash equivalents over equity.

The gearing ratio as at 30 June 2026 and 31 December 2025 is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Total Liabilities	4,963,351,746	4,477,075,866
Less: cash and cash equivalents	(270,705,719)	(284,721,610)
Adjusted net debt	4,692,646,027	4,192,354,256
Total equity	1,756,148,338	1,663,971,079
Adjusted net debt to equity ratio	2.67	2.52

20. SUBSEQUENT EVENTS

There have been no significant subsequent events since the period-end that would require disclosure or adjustments in these condensed consolidated interim financial statements.

21. SIGNIFICANT EVENTS - GEOPOLITICAL AND SECURITY DEVELOPMENTS

The Middle East region has experienced rapid geopolitical and security developments that have led to increased instability in certain regional markets. However, these developments do not result in any adjustments to the balances or disclosures recognized in the condensed consolidated interim financial statements for the period ended 30 June 2026.

Based on the information available up to the date of approval of the condensed consolidated interim financial statements, management has not identified any material indicators that could adversely affect the company's ability to continue as a going concern. Management will continue to monitor relevant developments and take appropriate actions as necessary.

22. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements have been approved by the Board of Directors on 9 August 2026 corresponding to 26 Safar 1448H.