

**AL HASSAN GHAZI IBRAHIM SHAKER COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION FOR
THE THREE-MONTH AND SIX-MONTH PERIOD
ENDED JUNE 30, 2025 AND REVIEW REPORT**

AL HASSAN GHAZI IBRAHIM SHAKER COMPANY
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED JUNE 30, 2025

	Page
Report on review of condensed consolidated interim financial information	1
Condensed consolidated interim statement of financial position	2
Condensed consolidated interim statement of profit or loss and other comprehensive income	3
Condensed consolidated interim statement of changes in equity	4
Condensed consolidated interim statement of cash flows	5
Notes to the condensed consolidated interim financial information	6 - 17



Report on review of Condensed Consolidated Interim Financial Information

To the shareholders of Al Hassan Ghazi Ibrahim Shaker Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Al Hassan Ghazi Ibrahim Shaker Company (the “Company”) and its subsidiaries (the “Group”) as of June 30, 2025 and the related condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and condensed consolidated statements of changes in equity and of cash flows for the six-month period then ended and other explanatory notes. The Board of Directors are responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 - “Interim Financial Reporting” (“IAS 34”), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of interim financial information performed by the independent auditor of the entity”, as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information 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, as 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 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

Khalid A. Mahdhar
License Number 368

August 5, 2025

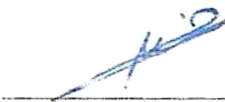
AL HASSAN GHAZI IBRAHIM SHAKER COMPANY
(A Saudi Joint Stock Company)
Condensed consolidated interim statement of financial position
(All amounts in thousands of Saudi Riyals unless otherwise stated)

		June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS	Note		
Non-current assets			
Property and equipment	3	169,273	169,090
Right-of-use assets		19,282	20,410
Intangible assets and goodwill	4	14,843	15,106
Investment in an associate	5	520,457	504,963
Total non-current assets		723,855	709,569
Current assets			
Inventories	6	444,686	336,474
Trade and other receivables	7	547,122	430,473
Prepayments and other debit balances	8	66,921	72,239
Investments at fair value through profit or loss		10,005	10,734
Cash and cash equivalents	9	72,244	22,797
Total current assets		1,140,978	872,717
Assets held for sale		11,191	11,191
Total assets		1,876,024	1,593,477
EQUITY AND LIABILITIES			
Equity			
Share capital	1	555,000	555,000
Reserves	1	-	-
Retained earnings		262,837	243,169
Non-controlling interest	20	(193)	-
Total equity		817,644	798,169
Liabilities			
Non-current liabilities			
Lease liabilities – non-current portion	10	9,706	11,473
Employees' benefits obligation		26,622	26,619
Total non-current liabilities		36,328	38,092
Current liabilities			
Short-term borrowings	10	341,840	270,908
Lease liabilities	10	8,092	7,163
Trade and other payables	11	660,042	466,248
Zakat liabilities	12	2,439	3,207
Warranty provision		9,639	9,690
Total current liabilities		1,022,052	757,216
Total liabilities		1,058,380	795,308
Total equity and liabilities		1,876,024	1,593,477

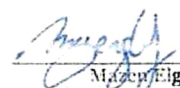
The notes from 1 to 21 form an integral part of this condensed consolidated interim financial information.



Abdulrahman Abdullah Abunayyan
Chairman



Mohammed Ibrahim Abunayyan
Chief Executive Officer

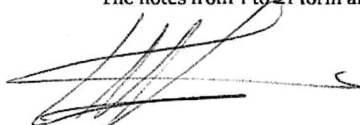


Mazen Elghafeer
Vice President of Finance

AL HASSAN GHAZI IBRAHIM SHAKER COMPANY
(A Saudi Joint Stock Company)
Condensed consolidated interim statement of profit or loss and other comprehensive income -
Unaudited
(All amounts in thousands of Saudi Riyals unless otherwise stated)

		Three-month period ended June 30,		Six-month period ended June 30,	
	Note	2025	2024	2025	2024
Revenue	13	368,772	345,139	769,188	758,381
Cost of sales		(276,152)	(261,947)	(575,935)	(577,420)
Gross profit		92,620	83,192	193,253	180,961
General and administrative expenses		(34,053)	(31,677)	(67,401)	(58,566)
Selling and distribution expenses		(35,487)	(34,152)	(75,622)	(70,977)
Impairment loss on trade and other receivables		(3,850)	(5,500)	(6,300)	(9,000)
Unrealized loss from investment at fair value through profit or loss		(29)	-	(729)	-
Other income, net		487	(328)	1,563	462
Income from operations		19,688	11,535	44,764	42,880
Finance costs		(5,981)	(9,148)	(10,524)	(18,983)
Foreign exchange gain / (loss)		(408)	51	(985)	243
Share of net profit from an associate	5	8,147	15,009	16,919	27,055
Profit before zakat		21,446	17,447	50,174	51,195
Zakat expense		(1,525)	(999)	(3,025)	(2,498)
Net income for the period		19,921	16,448	47,149	48,697
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Re-measurement of employees' benefits obligation		(200)	58	318	(262)
Other comprehensive income/ (loss) for the period		(200)	58	318	(262)
Total comprehensive income for the period		19,721	16,506	47,467	48,435
Profit attributable to:					
Owners of the Company		19,895	16,448	47,100	48,697
Non-controlling interests		26	-	49	-
		19,921	16,448	47,149	48,697
Total comprehensive income attributable to:					
Owners of the Company		19,695	16,506	47,418	48,435
Non-controlling interests		26	-	49	-
		19,721	16,506	47,467	48,435
Earnings per share (Saudi Riyals):					
Basic and diluted earnings per share	19	0.36	0.30	0.85	0.88


The notes from 1 to 21 form an integral part of this condensed consolidated interim financial information.



Abdulrahman Abdullah Abunayyan
Chairman



Mohammed Ibrahim Abunayyan
Chief Executive Officer

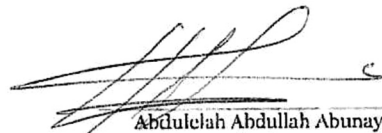


Mazen Elghafeer
Vice President of Finance

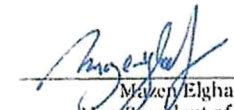
AL HASSAN GHAZI IBRAHIM SHAKER COMPANY
(A Saudi Joint Stock Company)
Condensed consolidated interim statement of changes in equity - Unaudited
 (All amounts in thousands of Saudi Riyals unless otherwise stated)

	Equity attributable to owners of the Company				Non-controlling interest	Total equity
	Share capital	Reserves	Retained earnings	Total		
January 1, 2025 (Audited)	555,000	-	243,169	798,169	-	798,169
Net income for the period	-	-	47,100	47,100	49	47,149
Other comprehensive income for the period	-	-	318	318	-	318
Total comprehensive income for the period	-	-	47,418	47,418	49	47,467
Change in non-controlling interest	-	-	-	-	(242)	(242)
Dividends	-	-	(27,750)	(27,750)	-	(27,750)
June 30, 2025 (Unaudited)	555,000	-	262,837	817,837	(193)	817,644
January 1, 2024 (Audited)	482,334	144,348	91,047	717,729	-	717,729
Net income for the period	-	-	48,697	48,697	-	48,697
Other comprehensive loss for the period	-	-	(262)	(262)	-	(262)
Total comprehensive income for the period	-	-	48,435	48,435	-	48,435
Transfer to retained earnings (note 1)	-	(71,682)	71,682	-	-	-
Capital increase (note 1)	72,666	(72,666)	-	-	-	-
June 30, 2024 (Unaudited)	555,000	-	211,164	766,164	-	766,164

The notes from 1 to 21 form an integral part of this condensed consolidated interim financial information.


 Abdulrahman Abdullah Abunayyan
 Chairman

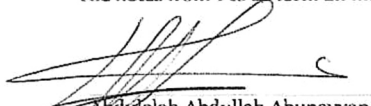

 Mohammed Ibrahim Abunayyan
 Chief Executive Officer

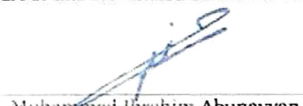

 Mazen Elghafeer
 Vice President of Finance

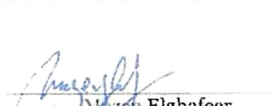
AL HASSAN GHAZI IBRAHIM SHAKER COMPANY
(A Saudi Joint Stock Company)
Condensed consolidated interim statement of cash flows - Unaudited
(All amounts in thousands of Saudi Riyals unless otherwise stated)

		Six-month period ended	
	Note	June 30,	
		2025	2024
Cash flows from operating activities			
Profit before zakat		50,174	51,195
Adjustments for non-cash items			
Depreciation of property and equipment	3	3,673	1,867
Depreciation of right of use assets		4,015	2,607
Amortization of intangible assets		263	-
Impairment losses on trade and other receivables	7	6,300	9,000
Provision for slow-moving inventories	6	5,180	300
Share of profit from an associate	5	(16,919)	(27,055)
Provision for employees' benefit obligation		2,324	2,144
Loss of disposal of right of use assets		34	-
Unrealized loss from investments at fair value through profit or loss		729	-
Finance costs		10,524	18,983
Changes in working capital			
Trade and other receivables		(122,949)	(138,315)
Inventories		(113,392)	45,019
Prepayments and other debit balances		5,318	13,249
Trade and other payables		193,794	111,905
Warranty provision		(51)	(3,502)
Zakat paid		(3,793)	(6,858)
Finance costs paid		(10,092)	(18,642)
Employees' benefits obligation paid		(2,003)	(1,701)
Net cash generated from operating activities		13,129	60,196
Cash flows from investing activities			
Additions to property and equipment	3	(3,856)	(1,318)
Acquisition of a subsidiary	1	1,183	-
Net cash used in investing activities		(2,673)	(1,318)
Cash flows from financing activities			
Payment of lease liabilities		(4,191)	(3,229)
Repayment from bank borrowings		(288,636)	605,970
Proceeds of bank borrowings		359,568	(621,347)
Dividends paid		(27,750)	-
Net cash generated from/(used in) financing activities		38,991	(18,606)
Net change in cash and cash equivalents		49,447	40,272
Cash and cash equivalents at beginning of the period	9	22,797	18,843
Cash and cash equivalents at end of the period	9	72,244	59,115
Significant non-cash transactions:			
Write-off of trade and other receivables	7	15,738	57
Additions to right of use of assets and lease liabilities		3,805	2,042
Disposal of right of use assets and lease liabilities		918	-
Re-measurement of employees' benefits obligation		318	(262)
Capital increase through reserves		-	72,666
Transfer to retained earnings from reserves		-	71,682

The notes from 1 to 21 form an integral part of this condensed consolidated interim financial information.


Abdulrahman Abdullah Abunayyan
Chairman


Mohammed Ibrahim Abunayyan
Chief Executive Officer


Mazen Elghafeer
Vice President of Finance

AL HASSAN GHAZI IBRAHIM SHAKER COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial information
For the six-month period ended June 30, 2025 (Unaudited)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

1 General information

Al Hassan Ghazi Ibrahim Shaker Company (the “Company” (or) the “Parent Company” (or) “HGISC”) is a Saudi joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration number 1010149252 and listed on the Saudi Stock Exchange (“Tadawul”).

The address of the Group’s head office and the principal activities of HGISC and its subsidiaries (collectively the “Group”) remain the same as disclosed in the Group’s annual consolidated financial statements for the year ended December 31, 2024.

On May 19, 2024, the general assembly approved transferring SAR 71.682 million from reserve to retained earnings.

Also, on May 19, 2024, the general assembly approved the Board of Directors recommendation to increase the Company’s capital by granting 1 bonus share for every 6.637685 shares. The authorized, issued and paid-up share capital of the Company has increased from SR 482.3 million to SR 555 million. The number of issued shares has increased from 48.2 million shares to 55.5 million shares of SR 10 each. The increase in share capital was funded through the capitalization of SAR 72.7 million from the reserves account. The capital increase shares were deposited at the end of the day following the maturity date (the date of the assembly meeting).

As at June 30, 2025, the authorized, issued, and paid-up share capital of the Company is SR 555 million divided into 55.5 million shares of SR 10 each. As at December 31, 2024, the authorized, issued, and paid-up share capital of the Company is SR 555 million divided into 55.5 million shares of SR 10 each

On 18 May 2025 (corresponding to 20 Dhu al-Qadah 1446H), the general assembly approved the recommendation of the board of directors to distribute dividends to shareholders for the year ended December 31, 2024, with a total amount of SR 27,750,000, equivalent to SR 0.5 per share, representing 5% of the share par value.

This condensed consolidated interim financial information has been reviewed, but not audited.

This condensed consolidated interim financial information include the financial position and performance of the Company and its branches as well as the following subsidiaries (collectively referred as the “Group”).

Name	Principal field of activity	Country of incorporation	Effective ownership interest at 30 June	
			2025	2024
Ibrahim Shaker Company Limited (“ISCL”)	Wholesale of household appliances	Saudi Arabia	100%	100%
Ibrahim Hussein Shaker Projects and Maintenance Company Limited (IHSCL)	Import, export and marketing services	Saudi Arabia	100%	100%
Asdaa Gulf Trading Company (“Asdaa”)	Wholesale of electronic devices	Saudi Arabia	100%	100%
Shaker Innovative Investment Company	Financial and insurance activities	Saudi Arabia	100%	100%
Shaker Contracting Service	Constructions	Saudi Arabia	100%	100%
Shaker Resilience for logistic services	Transportation and Storage	Saudi Arabia	100%	100%
Ajeek Maintenance Service Company Limited	Electronics repair	Saudi Arabia	90%	49%

As at December 31, 2024, the Group’s interest in Ajeek Maintenance Service Company Limited was classified as an associate. During the period ended June 30, 2025, the Group acquired a total of 90% equity interest in the investee and obtained control. Accordingly, the investee has been consolidated as a subsidiary from the acquisition date and the resulted non-controlling interest has been appropriately disclosed in the condensed consolidated interim statement of financial position.

2 Basis of preparation and material accounting policy information

2.1 Basis of preparation

This condensed consolidated interim financial information for the six-month period ended June 30, 2025 has been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ (“IAS 34”), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The condensed consolidated interim financial information does not include all the information and disclosures required in the annual consolidated financial statements and should therefore be read in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2024.

The condensed consolidated interim financial information comprises the financial information of the Company and its subsidiaries (“the Group”).

AL HASSAN GHAZI IBRAHIM SHAKER COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial information
For the six-month period ended June 30, 2025 (Unaudited)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

2 Basis of preparation and material accounting policy information (continued)

2.2 Material accounting policy information

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial information for the year ended December 31, 2024.

2.3 New and amended standards adopted by the Group

New standards and amendments to the IFRS, effective from January 1, 2025 or later-on, do not have any effect on the Group's financial statements. Further, the Group has not early adopted any new standard, interpretation or amendment that have been issued but that are not yet effective.

2.4 Critical accounting estimates and judgments

The preparation of the Group's condensed consolidated interim financial information requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. The Group based its assumptions and estimates on parameters available when the condensed consolidated interim financial information was 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.

As at June 30, 2025, management believes that all sources of estimation uncertainty remain similar to those disclosed in the Group's annual consolidated financial statements for the year ended December 31, 2024. Management will continue to monitor the situation and any changes required will be reflected in future reporting periods.

3 Property and equipment

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Beginning – Net book value	169,090	176,556
Additions for the period / year	3,856	7,770
Depreciation charge for the period / year	(3,673)	(4,045)
Assets held for sales	-	(11,191)
Closing – Net book value	169,273	169,090

4 Intangible assets and goodwill

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Goodwill – note 4.1 – Asdaa Gulf Trading Company (Asdaa) *	9,854	9,854
IT software	4,989	5,252
	14,843	15,106

- 4.1 Effective November 12, 2014, HGISC acquired effectively 100% shareholding in Asdaa Gulf Trading Company ("Asdaa") for a purchase consideration of SR 20 million, which was in excess of the fair value of the net assets acquired by SR 9.9 million and has been recorded as goodwill. Based on the impairment assessment using value in use model made at the end of 2024 financial year, there was sufficient head room available, and accordingly, no impairment loss was recognized.

- (*) The Group's management performs goodwill impairment assessment annually and when there are indicators that the carrying value of goodwill may be impaired. Group's management believes that any reasonably possible change in the key assumptions used for impairment assessment performed on December 31, 2024 will not cause the carrying value of the goodwill to materially exceeds its recoverable amount. Accordingly, no impairment loss was recognized for the six-month period ended June 30, 2025.

AL HASSAN GHAZI IBRAHIM SHAKER COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial information
For the six-month period ended June 30, 2025 (Unaudited)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

5 Investment in an associate

Name of company	Principal activities	Country of incorporation	Effective interest at	
			June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
LG Shaker Company Limited ("LG Shaker")	Manufacture of air conditioners	Saudi Arabia	49%	49%
Ajeek Maintenance Service Company Limited ("Ajeek")	Consumer electronics repair	Saudi Arabia	-	49%

Reconciliation for the investment in an associate is as follows:

	LG Shaker	Ajeek	Total
At January 1, 2025	503,538	1,425	504,963
Acquired as a subsidiary during the period (Note 20)	-	(1,425)	(1,425)
Share of profit for the period	16,919	-	16,919
At June 30, 2025 (Unaudited)	520,457	-	520,457
At January 1, 2024	465,534	1,425	466,959
Share of profit for the year	38,004	-	38,004
At June 30, 2024 (Unaudited)	503,538	1,425	504,963

LG Shaker

The following table summarizes the financial information of a material associate - LG Shaker as included in its own financial statements.

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Non-current assets	136,371	141,795
Current assets	524,435	461,142
Non-current liabilities	(15,547)	(14,563)
Current liabilities	(177,248)	(172,623)
Net assets	468,011	415,751
	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Revenue	464,490	688,918
Total comprehensive income (100%) (*)	52,259	66,724
Group share of total comprehensive income (49%) (*)	16,919	38,004

(*) The difference between the Group's share in net assets of the associate and share of total comprehensive income and 49% of associate reported net assets and total comprehensive income pertains to the adjustment made for the elimination of unrealized profit on upstream transactions between the Group and its associate.

6 Inventories

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Finished goods	412,264	298,492
Spare parts	23,284	24,480
Goods in transit	39,410	39,095
	474,958	362,067
Impairment losses on inventories	(30,272)	(25,593)
	444,686	336,474

AL HASSAN GHAZI IBRAHIM SHAKER COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial information
For the six-month period ended June 30, 2025 (Unaudited)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

6 Inventories (continued)

Reconciliation of the impairment losses on inventories is as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of period / year	25,593	30,886
Charge for the period / year	5,180	1,804
Utilized during the period / year	(501)	(7,097)
Balance at end of period / year	30,272	25,593

7 Trade and other receivables

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade receivables	582,756	471,305
Less: Impairment loss on trade receivables	(39,233)	(48,671)
	543,523	422,634
Other receivables:		
Promotions claims from suppliers	3,599	7,839
	547,122	430,473

Reconciliation of impairment losses on receivables is as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of period / year	48,671	35,361
Charge for the period / year	6,300	14,291
Write-off during the period / year	(15,738)	(981)
Balance at end of period / year	39,233	48,671

The following table provides information about the exposure to credit risk and ECLs for trade receivables from customers as at June 30, 2025 and December 31, 2024:

June 30, 2025 (Unaudited)	Gross carrying amount	Weighted- average loss	Loss allowance (%)
1–90 days	314,659	3,624	1.2%
91–180 days	170,560	3,182	1.9%
181–270 days	59,032	1,993	3.4%
271–360 days	3,004	308	10.3%
More than 360 days	35,501	30,126	84.9%
	582,756	39,233	6.7%
December 31, 2024 (Audited)	Gross carrying amount	Weighted- average loss	Loss allowance (%)
1–90 days	242,872	9,475	3.9%
91–180 days	149,380	8,610	5.8%
181–270 days	42,341	2,152	5.1%
271–360 days	5,755	667	11.6%
More than 360 days	30,957	27,767	89.7%
	471,305	48,671	10.3%

AL HASSAN GHAZI IBRAHIM SHAKER COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial information
For the six-month period ended June 30, 2025 (Unaudited)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

8 Prepayments and other debit balances

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Advances		
Advances to suppliers	40,424	26,755
Other advances	5,861	21,563
Advances to employees	1,116	1,377
Total advances	47,401	49,695
Prepaid expenses	11,746	10,209
Cash margin	4,085	2,137
Amounts due from a related party (note 17)	-	6,509
Others	3,689	3,689
	66,921	72,239

9 Cash and cash equivalents

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Bank balances – current accounts	70,216	21,069
Cash in hand	1,829	1,640
Credit cards	199	88
Total	72,244	22,797

10 Lease liabilities and borrowings

The Group has credit facility agreements with local and foreign commercial banks for long and short-term borrowings in Saudi Riyal and US Dollar. Such facilities were obtained principally under Murabaha/Tawarruq arrangements. Certain facility agreements are secured against promissory notes, corporate guarantees of the Group are provided wherever required for loans to subsidiaries. The facilities bear financial charges on prevailing market rates.

Secured liabilities and assets pledged as security

All bank loans are secured by promissory notes signed by the parent Company equal to the maximum facility amount. These promissory notes amounted to SR 1,798 million as at June 30, 2025 and (December 31, 2024: SR 1,798 million).

Compliance with loan covenants

Under the terms of the loan agreements, the Group is required to commit to certain levels for the following financial covenants:

- Financial leverage ratio;
- Current ratio;
- Gearing ratio (Debt to equity not to exceed 1.5:1); and
- Ratio of total liabilities and tangible net worth.

As of June 30, 2025 and December 31, 2024, no breach to loan covenants identified by the Group.

As of June 30, 2025, the Group's total borrowing facilities amounted to SAR 1,798 million out of which SAR 1,236 million was unutilized.

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Current:		
Lease liabilities	8,092	7,163
Bank loans	341,840	270,908
	349,932	278,071
Non-current:		
Lease liabilities	9,706	11,473

AL HASSAN GHAZI IBRAHIM SHAKER COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial information
For the six-month period ended June 30, 2025 (Unaudited)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

11 Trade and other payables

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade payables due to related parties (note 17)	423,941	264,426
Trade payables - third party	88,815	61,417
Total trade payables	512,756	325,843
Contract liabilities – advance from customers	21,011	31,793
Accrued expenses	20,802	15,654
Employee benefits	12,876	20,905
Accrued cost for vendors	7,852	7,009
Refund Liabilities	4,854	4,854
Other payables	79,891	60,190
Total other payables	147,286	140,405
Total trade and other payables	660,042	466,248

12 Zakat liabilities

The Group submitted its zakat returns for the years up to 2024 to the Zakat, Tax and Customs Authority (“ZATCA”). Moreover, the Group received final zakat assessments for the years up to 2023 and the related liabilities were paid during the year.

13 Revenue

The Group’s revenue is derived from contracts with customers for sale of products and services provided. Control of product is transferred at a point in time and directly sold to customers and when services are rendered.

June 30, 2025 (Unaudited)	HVAC solutions	Home appliances	All other Segments	Total
Saudi Arabia	533,978	231,042	4,168	769,188
June 30, 2024 (Unaudited)				
Saudi Arabia	522,070	234,951	1,360	758,381

14 Operating segments

For management purposes, the Group is organized into two main business segments based on internal reporting provided to the chief operating decision maker (the “CoDM”, or “CEO”).

Heating, ventilation, and air-conditioning solutions (HVAC): Represents residential and commercially conditioners including chillers and related services.

Home appliances: Represents televisions, washing machines, dryers, refrigerators, irons, gas cookers, and floor care.

The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessments.

CoDM uses segments Profit Before Tax (PBT) to measure performance being the most relevant in evaluating the results of segments.

Transfer prices between operating segments are on mutually agreed terms in a manner similar to transactions with third parties.

AL HASSAN GHAZI IBRAHIM SHAKER COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial information
For the six-month period ended June 30, 2025 (Unaudited)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

14 Operating segments (continued)

Segment information provided to the board of directors:

The table below shows the segment information provided to the Board of Directors for the reportable segments for the period ended June 30, 2025 and June 30, 2024, also the basis on which revenue is recognized:

For the period ended June 30, 2025	HVAC Solutions	Home appliances	Total reportable segments	Other	Total
Revenues from external customers	533,978	231,042	765,020	4,168	769,188
Cost of sales	(395,050)	(178,566)	(573,616)	(2,319)	(575,935)
Gross profit	138,928	52,476	191,404	1,849	193,253
General and administrative expenses	(37,285)	(28,240)	(65,525)	(1,876)	(67,401)
Selling and distribution expenses	(48,007)	(25,215)	(73,222)	(2,400)	(75,622)
Impairment loss on trade and other receivables	(6,300)	-	(6,300)	-	(6,300)
Unrealized loss from investment at fair value through profit or loss	(729)	-	(729)	-	(729)
Other income, net	1,078	-	1,078	485	1,563
Income/ (loss) from operations	47,685	(979)	46,706	(1,942)	44,764
Finance costs	(10,134)	(388)	(10,522)	(2)	(10,524)
Foreign exchange (loss)	(234)	(751)	(985)	-	(985)
Share of net profit from an associate	16,919	-	16,919	-	16,919
Segments profit/ (loss) before zakat	54,236	(2,118)	52,118	(1,944)	50,174
Zakat expense	(3,025)	-	(3,025)	-	(3,025)
Net income/ (loss) for the period	51,211	(2,118)	49,093	(1,944)	47,149

AL HASSAN GHAZI IBRAHIM SHAKER COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial information
For the six-month period ended June 30, 2025 (Unaudited)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

14 Operating segments (continued)

Segment information provided to the board of directors: (continued)

For the period ended June 30, 2024	HVAC Solutions	Home appliances	Total reportable segments	Other	Total
Revenues from external customers	522,070	234,951	757,021	1,360	758,381
Cost of sales	(376,596)	(200,021)	(576,617)	(803)	(577,420)
Gross profit	145,474	34,930	180,404	557	180,961
General and administrative expenses	(39,360)	(19,206)	(58,566)	-	(58,566)
Selling and distribution expenses	(55,617)	(15,293)	(70,910)	(67)	(70,977)
Impairment loss on trade and other receivables	(9,000)	-	(9,000)	-	(9,000)
Other income, net	462	-	462	-	462
Income from operations	41,959	431	42,390	490	42,880
Finance costs	(17,541)	(1,442)	(18,983)	-	(18,983)
Foreign exchange (loss) /gain	(62)	305	243	-	243
Share of net profit from an associate	27,055	-	27,055	-	27,055
Segments profit before zakat	51,411	(706)	50,705	490	51,195
Zakat expense	(2,303)	(195)	(2,498)	-	(2,498)
Net income/ (loss) for the period	49,108	(901)	48,207	490	48,697

AL HASSAN GHAZI IBRAHIM SHAKER COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial information
For the six-month period ended June 30, 2025 (Unaudited)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

14 Operating segments (continued)

Segment information provided to the Board of Directors: (continued)

June 30, 2025	HVAC solutions	Home Appliances	Total reportable segments	All other segments	Adjustments and eliminations	Total
Reportable segment assets	2,037,286	948,764	2,986,050	18,493	(1,128,519)	1,876,024
Additions to property and equipment	3,854	2	3,856	-	-	3,856
December 31, 2024	HVAC Solutions	Home Appliances	Total reportable segments	All other segments	Adjustments and eliminations	Total
Reportable segment assets	1,813,131	916,962	2,730,093	10,494	(1,147,110)	1,593,477
Additions to property and equipment	7,591	179	7,770	-	-	7,770
June 30, 2025	HVAC Solutions	Home appliances	Total reportable segments	All other segments	Adjustments and eliminations	Total
Total segment liabilities	1,188,422	637,220	1,825,642	21,342	(788,604)	1,058,380
December 31, 2024	HVAC Solutions	Home appliances	Total reportable segments	All other segments	Adjustments and eliminations	Total
Total segment liabilities	983,320	601,683	1,585,003	8,970	(798,665)	795,308

Adjustments and eliminations represent intercompany transactions and consolidation elimination entries transactions, and the intercompany transactions are mainly related to financing transactions.

All non-current assets are geographically located in Saudi Arabia as at June 30, 2025 and December 31, 2024.

Depreciation and amortization for the period ended June 30, 2025 amounted to SR 4.2 million for HVAC Solutions segment and SR 3.7 million for Home Appliances segment (June 30, 2024: SR 2.3 million for HVAC Solutions and SR 2.2 million for Home Appliances segment).

Assets held for sale as at June 30, 2025 and December 31, 2024 are presented in the HVAC Solutions segment.

AL HASSAN GHAZI IBRAHIM SHAKER COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial information
For the six-month period ended June 30, 2025 (Unaudited)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

15 Seasonality of operations

The Group's HVAC solutions segments is subject to seasonal fluctuation as a result of weather conditions. In particular, the sale of air conditioners in key geographic areas are affected by winter weather conditions, which occur primarily during October to March. The Group attempts to minimize the seasonal impact by managing inventories to meet demand during this period.

For the 12 months ended June 30, 2025, the HVAC solutions segment reported revenue of SR 1,065.3 million (for 12 months ended June 30, 2024: SR 926.3 million) and net profit of SR 83.9 million (net profit for 12 months ended June 30, 2024: SR 65.4 million).

16 Capital and financial risk management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitor the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group monitors capital using a ratio of adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash, and cash equivalents. Adjusted equity comprises all components of equity.

The Group's adjusted net debt to equity ratio at June 30, 2025 and December 31, 2024 was as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Total liabilities	1,058,380	795,308
Less: cash and cash equivalents	(72,244)	(22,797)
Adjusted net debt	986,136	772,511
Total equity	817,644	798,169
Adjusted net debt to equity ratio	120.6%	96.8%

The management believes that the Group has the ability to meet its obligations as:

- (a) The Group's current assets are more than its current liabilities; and
- (b) The Group manages its liquidity risk by ensuring that bank borrowing facilities from multiple banks are available (see Note 10).

Management has assessed the Group's ability to continue as a going concern and is satisfied that the Group has the resources and borrowing facilities from multiple banks to continue in business for the foreseeable future. Moreover, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as going concern. Therefore, this condensed consolidated interim financial information has been prepared on a going concern basis.

17 Related parties

(a) Transactions with key management personnel

The following table describes compensations to key management personnel:

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Short-term employees' benefits	7,326	6,360
Board of Directors and Audit Committee remuneration	1,672	1,326

AL HASSAN GHAZI IBRAHIM SHAKER COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial information
For the six-month period ended June 30, 2025 (Unaudited)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

17 Related parties (continued)

(b) Related parties' balances and transactions

Name	Relationship	Nature of Transaction	Transactions		Balances	
			June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Due to related parties - under trade and other payables (*)						
LG Shaker	Associate	Purchase of finished goods	457,596	654,005	370,977	259,808
LG Electronics	A 51% owner of LG Shaker Company (Note 5)	Purchase of finished goods	30,649	40,223	26,552	4,618
LG Electronics Saudi Arabia Limited	Owned by a related party	Purchase of finished goods	40,514	-	26,412	-
					423,941	264,426
Due from related parties - under prepayments and other debit balances (unsecured)						
LG Electronics Saudi Arabia Limited	Owned by a related party	Purchase of finished goods	-	126,741	-	4,302
Ajeek Maintenance Service Company Limited	Former associate (Note 1 and Note 5)	Expenses paid on behalf	-	2,207	-	2,207
					-	6,509
Key management personnel	Key management	Remuneration and meeting attendance fee	1,672	2,650	263	1,889

(*) These transactions are conducted in accordance with the terms and conditions of commission and are determined in the agreements signed with the related parties and approved by the management.

AL HASSAN GHAZI IBRAHIM SHAKER COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial information
For the six-month period ended June 30, 2025 (Unaudited)
(All amounts in thousands of Saudi Riyals unless otherwise stated)

18 Contingencies and commitments

The Group has the following as of June 30, 2025:

- a) On June 30, 2025, the Group has outstanding bank guarantees of SR 141.2 million (December 31, 2024: SR 87.2 million) issued by local and foreign banks in respect of importing of finished goods and other supplies.
- b) At June 30, 2025, the Group has outstanding bank letters of credit of SR 79.1 million (December 31, 2024: SR 81.7 million) issued against importing of finished goods and other supplies.
- c) The Group has a contractual obligation regarding the purchase of land amounting to SR 10.9 million as of June 30, 2025.

19 Basic and diluted earnings per share

Basic and diluted earnings per share amounts are calculated by dividing the earnings for the six-month period ended attributable to the shareholders of the Parent Company by the weighted average number of ordinary shares outstanding, as follows:

	June 30, 2025	June 30, 2024
Earnings attributable to ordinary shareholders	47,100	48,697
Weighted average number of ordinary shares outstanding	55,500	55,500
Basic and diluted earnings per share		
Total basic and diluted earnings per share attributable to the owners of the Parent Company	0.85	0.88

20 Subsequent events

There are no subsequent events after the six-month period ended June 30, 2025, which require adjustment or disclosure to this condensed consolidated interim financial information.

21 Approval of the financial information

This condensed consolidated interim financial information was approved by the Company's Board of Directors on August 1, 2025.