SAUDI COMPANY FOR HARDWARE SACO
AND ITS SUBSIDIARY
(A Saudi Joint Stock Company)
Condensed Consolidated Interim Financial Statements (Unaudited)
together with the
Independent Auditor's Review Report
For the three-month and six-month periods ended 30 June 2026

SAUDI COMPANY FOR HARDWARE SACO AND ITS SUBSIDIARY
(A Saudi Joint Stock Company)
Condensed consolidated interim financial statements (unaudited)
Together with the independent auditor's review report
For the three-month and six-month periods ended 30 June 2026

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Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية
واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

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

To the Shareholders of Saudi Company for Hardware SACO

Introduction

We have reviewed the accompanying 30 June 2026 condensed consolidated interim financial statements of **Saudi Company for Hardware SACO** ("the Company") **and its subsidiary** ("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 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 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.

Independent auditor's report on the review of the condensed consolidated interim financial statements (continued)

To the Shareholders of Saudi Company for Hardware SACO

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 Saudi Company for Hardware SACO and its subsidiary are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services Company

Dr. Abdullah Hamad Al Fozan

License Number 348

Lic No. 46
C.R. 1010425494
R : 2
KPMG
KPMG Professional Services

Date: 28 Safar 1448 H
Corresponding to: 11 August 2026

SAUDI COMPANY FOR HARDWARE SACO AND ITS SUBSIDIARY
(A Saudi Joint Stock Company)
Condensed Consolidated Statement of Financial Position
As at 30 June 2026
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
ASSETS			
Non-current assets			
Right of use assets	5	**170,105,413**	196,631,386
Property and equipment	6	**174,617,134**	184,889,650
Intangible assets and goodwill	7	**38,575,295**	44,131,882
Total non-current assets		**383,297,842**	425,652,918
Current assets			
Inventories	8	**501,477,669**	546,542,145
Accounts receivable	9	**28,252,594**	33,294,988
Prepayments and other receivables	10	**33,626,321**	28,257,040
Due from a related party	17	**965,051**	965,051
Investments at fair value through other comprehensive income held for sale	18	-	8,671,163
Cash and cash equivalents		**11,668,192**	32,560,819
Total current assets		**575,989,827**	650,291,206
Total assets		**959,287,669**	1,075,944,124
EQUITY AND LIABILITIES			
Equity			
Share capital	1	**360,000,000**	360,000,000
Treasury shares	1	**(9,276,723)**	(4,650,375)
Retained earnings		**6,724,516**	15,026,994
Fair value reserve		-	410,711
Total Equity		**357,447,793**	370,787,330
Non-current liabilities			
Employees' end of service benefit obligation		**40,471,006**	40,734,681
Lease liabilities	11	**159,228,001**	191,735,419
Total non-current liabilities		**199,699,007**	232,470,100
Current liabilities			
Accounts and notes payable		**200,491,711**	243,444,642
Lease liabilities	11	**63,520,659**	65,108,732
Accrued expenses and other liabilities	13	**134,384,517**	156,697,370
Zakat payable	12	**3,512,509**	7,212,367
Dividends payable		**231,473**	223,583
Total current liabilities		**402,140,869**	472,686,694
Total liabilities		**601,839,876**	705,156,794
Total equity and liabilities		**959,287,669**	1,075,944,124

Omar

Chief Financial Officer | Chief Executive Officer | Chairman of Board of Directors

The attached notes from 1 to 24 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of profit or loss and other comprehensive income (unaudited)

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

(All amounts are in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2026	2025	**2026**	2025
Revenue	19	**226,531,606**	253,368,235	**473,870,587**	514,691,027
Cost of revenue		**(194,331,563)**	(212,606,441)	**(403,255,307)**	(435,675,363)
Gross profit		**32,200,043**	40,761,794	**70,615,280**	79,015,664
Selling and marketing expenses		**(7,115,585)**	(8,281,951)	**(14,751,104)**	(15,247,174)
General and administrative expenses		**(24,489,235)**	(28,240,212)	**(52,390,732)**	(51,768,510)
Expected credit (losses) / reversal	9,10	**(643,532)**	(62,359)	**(728,804)**	266,404
Other income		**2,896,177**	7,299,284	**5,945,427**	12,477,472
Operating income		**2,847,868**	11,476,556	**8,690,067**	24,743,856
Finance cost		**(3,571,875)**	(6,845,529)	**(7,401,519)**	(14,139,647)
(Loss) / profit before zakat		**(724,007)**	4,631,027	**1,288,548**	10,604,209
Zakat	12	**(1,050,000)**	449,500	**(1,050,000)**	(449,500)
(Loss) / Profit for the period		**(1,774,007)**	5,080,527	**238,548**	10,154,709
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Net changes in the fair value of investments carried at FVOCI	18	**-**	-	**-**	(218,396)
Total comprehensive (loss) / income for the period		**(1,774,007)**	5,080,527	**238,548**	9,936,313
(Loss) / earnings per share (SAR)					
Basic and diluted (loss) / earnings per share attributable to the equity shareholders	16	**(0.05)**	0.14	**0.01**	0.28
Weighted average number of shares	16	**35,822,741**	35,874,448	**35,822,741**	35,874,448

Chief Financial Officer

Chief Executive Officer

Chairman of Board of Directors

The attached notes from 1 to 24 are an integral part of these condensed consolidated interim financial statements.

SAUDI COMPANY FOR HARDWARE SACO AND ITS SUBSIDIARY
(A Saudi joint stock company)
Condensed consolidated statement of changes in equity
For the Six-month period ended 30 June 2026
(All amounts are in Saudi Riyals unless otherwise stated)

	Share capital	Treasury shares	(Accumulated losses) /Retained earnings	Fair value reserve	Total
Balance as at 1 January 2025 (audited)	360,000,000	(4,650,375)	(29,684,735)	629,107	326,293,997
Profit for the period	-	-	10,154,709	-	10,154,709
Other comprehensive loss for the period	-	-	-	(218,396)	(218,396)
Total comprehensive income	-	-	10,154,709	(218,396)	9,936,313
Balance as at 30 June 2025 (unaudited)	360,000,000	(4,650,375)	(19,530,026)	410,711	336,230,310
Balance as at 1 January 2026 (audited)	**360,000,000**	**(4,650,375)**	**15,026,994**	**410,711**	**370,787,330**
Profit for the period	-	-	**238,548**	-	**238,548**
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income	-	-	**238,548**	-	**238,548**
Realised gain transferred to retained earnings on disposal of investments at FVOCI	-	-	**410,711**	**(410,711)**	-
Dividends (note 21)	-	-	**(8,951,737)**	-	**(8,951,737)**
Purchase of treasury shares (note 1)	-	**(4,626,348)**	-	-	**(4,626,348)**
Balance as at 30 June 2026 (unaudited)	**360,000,000**	**(9,276,723)**	**6,724,516**	-	**357,447,793**

Chief Financial Officer

Chief Executive Officer

Chairman of Board of Directors

The attached notes from 1 to 24 are an integral part of these condensed consolidated interim financial statements.

SAUDI COMPANY FOR HARDWARE SACO AND ITS SUBSIDIARY
(A Saudi joint stock company)
Condensed consolidated statement of cash flows (unaudited)
For the Six-month period ended 30 June 2026
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	For the six-month period ended 30 June 2026	2025
Cash flows from operating activities			
Profit before zakat		**1,288,548**	10,604,209
Adjustments to reconcile profit before zakat to net cash flows from operating activities:			
Depreciation of right-of-use assets	5	**26,325,973**	26,814,542
Depreciation and amortization	6,7	**22,897,334**	22,695,399
Gain on disposal of property and equipment, and intangible assets		**(1,304)**	(513,886)
Provision for inventory write-down and inventory shortages	8	**3,104,270**	3,952,465
Loss on lease de-recognition		-	165,472
Expected credit losses provided / (reversals)	9,10	**728,804**	(266,404)
Interest on lease liabilities	11	**6,811,399**	8,745,856
Interest on borrowings and bank charges		-	5,393,791
Provision for employees end of service benefit obligation		**3,484,294**	4,063,393
Changes in Working Capital:			
Inventories		**41,960,206**	3,602,506
Prepayments and other receivables		**(5,018,162)**	(2,608,970)
Accounts receivable		**3,962,471**	8,681,317
Accounts and notes payable		**(34,281,768)**	25,411,530
Accrued expenses and other liabilities		**(36,546,420)**	(39,974,412)
Cash generated from operations		**34,715,645**	76,766,808
Zakat paid		**(4,749,858)**	(1,473,478)
Finance cost paid		**(568,798)**	(4,663,097)
Interest on lease liabilities paid	11	**(6,811,399)**	(8,745,856)
Employees end of service benefit obligation paid		**(3,747,969)**	(2,747,242)
Net cash flows generated from operating activities		**18,837,621**	59,137,135
Cash flows from investing activities			
Purchase for property and equipment	6	**(4,833,865)**	(3,281,447)
Proceeds from disposal of property and equipment		**1,310**	513,913
Purchase for intangible assets	7	**(2,234,372)**	(687,853)
Net cash flows used in investing activities		**(7,066,927)**	(3,455,387)
Cash flows from financing activities			
Change in short-term borrowings, net		-	(14,365,858)
Repayments of long-term borrowings		-	(10,000,000)
Principal amount of lease liabilities paid	11	**(19,093,126)**	(24,326,002)
Purchase of treasury shares	1	**(4,626,348)**	-
Dividends paid		**(8,943,847)**	-
Net cash flows used in financing activities		**(32,663,321)**	(48,691,860)
Net change in cash and cash equivalents		**(20,892,627)**	6,989,888
Cash and cash equivalents at the beginning of the period		**32,560,819**	8,145,817
Cash and cash equivalents at the end of the period		**11,668,192**	15,135,705
Significant non-cash transactions:			
Lease liabilities modification	11	**(200,000)**	2,687,698
Right of use assets modification	5	**(200,000)**	2,687,698
Lease de-recognition	5	-	(5,223,818)
Lease liabilities due not yet paid	11,13	**(14,802,365)**	(10,370,806)
Settlement of accounts payable against investments at fair value through other comprehensive income held for sale	18	**8,671,163**	-

Chief Financial Officer | Chief Executive Officer | Chairman of Board of Directors

The attached notes from 1 to 24 are an integral part of these condensed consolidated interim financial statements.

(All amounts are in Saudi Riyals unless otherwise stated)

1. GENERAL INFORMATION

Saudi Company for Hardware SACO (the "Company") is a Saudi joint stock Company registered in the Kingdom of Saudi Arabia with Company unified number 70006511583, and commercial registration number 1010056595 issued in Riyadh on 26 Safar 1405H (corresponding to 19 November 1984). The Capital Market Authority (the "CMA") announced on 5 Jumada al-Alkhirah 1436H (corresponding to 25 March 2015) the CMA's board decision to approve the listing of 7,200,000 shares in the Company’s initial public offering which represents 30% of the total shares of the Company's 24,000,000 shares. The Company's shares were listed in the Saudi Exchange main market ("Tadawul") on 23 Rajab 1436H (corresponding to 12 May 2015).

As of 30 June 2026, the Company’s share capital was SAR 360 million divided into 36 million shares of SAR 10 each (31 December 2025: SAR 360 million divided into 36 million shares of SAR 10 each).

On 5 March 2026, the Extraordinary General Assembly approved the recommendation of the Company’s Board of Directors to purchase 224,448 of Company’s shares and retain them as treasury shares.

During the six-month period ended 30 June 2026, the Company purchased 125,096 of its issued and outstanding shares. As at 30 June 2026, the total number of treasury shares was 318,148.

Movement in the treasury shares balance for the period / year is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
At the beginning of the period / year	**4,650,375**	4,650,375
Purchased during the period / year	**4,626,348**	-
At the end of the period / year	**9,276,723**	4,650,375

The Company is principally engaged in retailing and wholesaling of household and office supplies and appliances, construction tools and equipment, and electrical tools and hardware.

The registered address of the Company is P.O. Box 86387, Riyadh 11622, Kingdom of Saudi Arabia.

The accompanying condensed consolidated interim financial statements include the financial statements of the Company and its 32 leased stores (30 June 2025: 32 stores and 31 December 2025: 32 stores) located in various cities in the Kingdom of Saudi Arabia, and the following subsidiary:

		Effective ownership percentage		
Subsidiary name	**Country**	**30 June 2026**	31 December 2025	**Activities**
Medscan Terminal Company Limited	Kingdom of Saudi Arabia	**100%**	100%	Transportation and logistics

Medscan Terminal Company Limited (the “Subsidiary”) is a single Shareholder limited liability Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 2050006757 dated 6 Rabi’ al-Awwal 1399H (corresponding to 3 February 1979) issued in Dammam. The address of the head office of the Subsidiary is P.O. 825, King Abdulaziz Sea Port, Dammam 31421, Kingdom of Saudi Arabia. The Subsidiary’s main activities are Transportation of goods and other tasks, port handling services, trans-shipment services, warehouse management and maintenance, and customs clearance services.

2. BASICS OF PREPARATION

2.1 Statement of Compliance

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with International Accounting Standard IAS 34 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the Group's last annual Consolidated Financial Statements for the year ended 31 December 2025 (the "last annual financial statements"). These do not include all the information normally required for a complete set of Consolidated Financial Statements; however, accounting policies and 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 31 December 2025. The results shown in these Condensed Consolidated Interim Financial Statements may not be indicative of the annual results of the Group's operations.

2.2 Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost convention and accrual basis of accounting, except for the following items included in the condensed consolidated interim statement of financial position:

- The employees' end of service benefit obligation is measured at the present value of the future liability using the expected unit credit method.
- Lease liabilities are measured at the net present value of the lease payments.

2.3 Use of judgments and estimates

The preparation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and issuances endorsed by the Saudi Organization for Chartered and Professional Accountants requires management to use judgments and estimates that affect the application of accounting policies and the amounts listed of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management 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 as of 31 December 2025.

3. FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

These condensed consolidated interim financial statements are presented in Saudi Riyal, which is the Group's functional and presentation currency. All amounts are in Saudi Riyal unless otherwise stated.

4. New standards, amendments to standards, and interpretations

The accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2025, except for the application of the new standards effective as of 1 January 2026, which are explained in the Group's annual financial statements, which have no significant impact on the condensed consolidated interim financial statements of the Group.

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027.

The Group has not early adopted the new accounting standard in preparing these interim financial statements; however, earlier application is permitted.

4. New standards, amendments to standards, and interpretations - continued

While the Group does not expect net profit or net assets to change as a result of adopting IFRS 18, the presentation of the Group's results is expected to be modified as follows:

a) Structure of the Statement of Profit or Loss

IFRS 18 requires entities to classify all income and expenses into categories in the statement of profit or loss - namely operating, investing, financing, zakat income tax and discontinued operations. Classification of income and expenses depends on the main business activities of an entity.

Neither net profit nor net assets will change as a result of the Group's adoption of IFRS 18. The Group expects to present two newly defined subtotals: 'Operating Profit' and 'Profit or loss before financing and income taxes'. The Group is assessing how the new 'Operating Profit' subtotal will differ from the current subtotal.

Investing category:

Based on the Group's preliminary assessment, gain on sale of investment property, interest income and Interest income on term and time deposits (where applicable) will be included in investing category.

Financing Category:

The Group will classify income and expenses in the financing category based on the nature of the underlying liabilities:

- Liabilities arising only from the raising of finance: Expenses related to the Group's borrowings will be classified in the financing category.
- Interest on other liabilities: The interest cost component of the Employee Retirement Benefit obligations and the Interest Expense on Lease Liabilities will move to the financing category.

Operating category:

The operating category remains the residual category for all other items.

b) Management-defined performance measures

Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the financial statements that communicate to users management's view of an aspect of the financial performance of the entity as a whole. The Group will be required to disclose specific information about MPMs in a single note in the financial statements.

The Group is in process of determining which public communications should be considered when identifying MPMs. MPMs relate to the same reporting period as the financial statements. Therefore, MPMs disclosed by the Group following adoption of IFRS 18 will be determined based on public communications issued by the Group relating to the 2027 interim reporting period.

c) Principles of aggregation and disaggregation

IFRS 18 provides enhanced principles on how to group information in the financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Group is assessing the grouping of items on the basis of similar and dissimilar characteristics. Based on this assessment, it will present line items in the primary financial statements that provide useful structured summaries and disclose additional material information in the notes.

The Group is also assessing line items currently labelled as 'other' and will use more informative labels.

d) Consequential amendments

IFRS 18 introduces consequential amendments to IAS 7, which require entities to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group currently uses profit for the year/period as the starting point to the reconciliation of cash flow from operating activities. Certain adjusting items included in the reconciliation will change as a result of the new starting point.

The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows. The Group will classify cash flows from interest paid, where applicable, as financing activities rather than operating activities under this guidance. Cash flows from interest and dividends received and from dividends paid will continue to be classified as investing activities and financing activities, respectively.

(All amounts are in Saudi Riyals unless otherwise stated)

5. RIGHT OF USE ASSETS

The Group leases stores, resulting in right-of-use assets that qualify as leased assets under IFRS 16.

Lease terms typically extend up to 25 years, with some contracts including renewal options.

Lease payments are generally fixed, although some leases incorporate escalation clauses for rent increases**.**

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Net book value at the beginning of the period / year	**196,631,386**	250,450,693
Lease modification	**(200,000)**	3,282,550
Addition during the period / year	**-**	2,497,384
Lease de-recognition	**-**	(5,389,291)
Depreciation for the period / year	**(26,325,973)**	(54,209,950)
Net book value at the end of the period / year	**170,105,413**	196,631,386

6. PROPERTY AND EQUIPMENT

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Net book value at the beginning of the period / year	**184,889,650**	208,217,238
Additions during the period / year	**4,833,865**	9,498,357
Disposal during the period / year	**(6)**	(350,569)
Depreciation for the period / year	**(15,106,375)**	(32,475,376)
Net book value at the end of the period / year	**174,617,134**	184,889,650

(All amounts are in Saudi Riyals unless otherwise stated)

7. INTANGIBLE ASSETS AND GOODWILL

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Goodwill	**22,377,889**	22,377,889
Software licenses	**16,197,406**	21,753,993
	38,575,295	44,131,882

Impairment test for goodwill:

Goodwill is related to the acquisition of Medscan Terminal Company Limited. Goodwill is monitored by the Group's management at the level of only one cash-generating unit (Medscan).

The Group’s management performs a 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 31 December 2025 will not cause the carrying value of the goodwill to materially exceed its recoverable amount.

Accordingly, no impairment loss was recognised for the six-month periods ended 30 June 2026.

Movement in intangible assets is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Net book value at the beginning of the period / year	**44,131,882**	65,800,222
Additions	**2,234,372**	1,905,170
Amortisation for the period / year (*)	**(7,790,959)**	(23,573,510)
Net book value at the end of the period / year	**38,575,295**	44,131,882

*On July 2025, the Group resolved to replace its e-commerce platform. Accordingly, management reassessed the asset’s usage and reduced the remaining useful life to eight months. This constitutes a change in accounting estimate and has been applied prospectively from the reassessment date. The remaining carrying amount is being amortised over the revised eight-month period, resulting in a higher amortisation charge in the current period and over the revised remaining life.

(All amounts are in Saudi Riyals unless otherwise stated)

8. INVENTORIES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Merchandise in stores and warehouses	**483,470,855**	532,952,324
Goods-in-transit	**43,971,320**	31,606,209
Merchandise on consignment	**-**	7,497,680
Packing, wrapping, and consumable	**3,109,239**	2,713,047
	530,551,414	574,769,260
Provision for Allowance for Net Realizable Value (NRV)	**(29,073,745)**	(28,227,115)
	501,477,669	546,542,145

The movement in the Provision for Allowance for Net Realizable Value (NRV) as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**28,227,115**	28,492,720
Provided during the period / year	**1,505,015**	3,179,110
Utilised during the period / year	**(658,385)**	(3,444,715)
Balance at the end of the period / year	**29,073,745**	28,227,115

During the period, shrinkage amounting to SAR 2.3 million was written off directly from the inventory (31 December 2025: SAR 7.93 million).

(All amounts are in Saudi Riyals unless otherwise stated)

9. ACCOUNTS RECEIVABLES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Accounts receivable – Trade	**32,714,672**	36,677,143
Accounts receivable – Others	**1,320,059**	1,320,059
Allowance for expected credit losses	**(5,782,137)**	(4,702,214)
	28,252,594	33,294,988

The movement in the allowance for expected credit loss is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**4,702,214**	5,316,088
Provided / (reversal) during the period / year	**1,079,923**	(613,874)
Balance at the end of the period / year	**5,782,137**	4,702,214

10. PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Prepaid expenses	**18,289,541**	16,362,086
Advance payments to suppliers and employees	**15,110,606**	12,633,669
Others	**4,796,244**	4,182,474
	38,196,391	33,178,229
Allowance for prepayments and other assets	**(4,570,070)**	(4,921,189)
	33,626,321	28,257,040

The movement in the impairment of prepayments and other receivables is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**4,921,189**	4,924,615
Utilised	**(351,119)**	(3,426)
Balance at the end of the period / year	**4,570,070**	4,921,189

(All amounts are in Saudi Riyals unless otherwise stated)

11. LEASE LIABILITIES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**256,844,151**	324,893,506
Lease modification	**(200,000)**	3,282,550
Addition during the period / year	**-**	2,497,384
Interest on lease liabilities for the period / year	**6,811,399**	16,839,967
Lease de-recognition	**-**	(5,223,818)
Payments during the period / year	**(25,904,525)**	(65,249,620)
Transfer to lease liabilities due not yet paid (note 13)	**(14,802,365)**	(20,195,818)
Balance at the end of the period / year	**222,748,660**	256,844,151

The lease liability balance consists of as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Lease liabilities undiscounted principal payments	**255,474,767**	296,381,656
Unamortized interest	**(32,726,107)**	(39,537,505)
	222,748,660	256,844,151

Presented as:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Current portion	**63,520,659**	65,108,732
Non-current portion	**159,228,001**	191,735,419
	222,748,660	256,844,151
Lease liabilities due not yet paid – (note 13)	**14,802,365**	20,195,818

The Group does not face a significant liquidity risk regarding its liabilities. Lease liabilities are monitored within the Group's treasury function.

All leases insurance and maintenance costs are being incurred by the Group. No purchase option in any lease contract.

(All amounts are in Saudi Riyals unless otherwise stated)

12. Zakat payable

The Group is subject to zakat according to the instructions of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia. The Group submits its zakat returns on a consolidated basis starting from 1 January 2017 and onwards. This includes the Company and its subsidiary because the Group is a single economic entity owned and managed by the Company.

Zakat status

- The Group has finalized its zakat status for the years until 2024.
- The Group has submitted its Zakat return for the year ended 31 December 2025, currently remain under review by the Zakat, Tax and Customs Authority.
- The Zakat provision recognized represents management's best estimate of the anticipated liability for the mentioned years.

13. ACCRUED EXPENSES AND OTHER LIABILITIES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Accrued expenses	**37,424,037**	41,059,714
Contract liabilities - Gift cards and vouchers	**35,895,152**	37,786,126
Employee-related liabilities	**19,297,617**	22,699,043
Lease liabilities due but not yet paid (Note 11)	**14,802,365**	20,195,818
Security deposit	**14,700,000**	14,700,000
Contract liability – Advances from customers	**4,272,006**	5,108,003
Value Added Tax	**3,654,272**	11,285,548
Accrued rentals	**362,253**	366,185
Others	**3,976,815**	3,496,933
	134,384,517	156,697,370

14. CONTINGENCIES

During the course of business, local banks issue letters of guarantee and letters of credit to third-party suppliers in favor of the group.

The Group had the following contingencies:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Letters of credit	**21,468,812**	28,908,102
Letters of guarantee	**1,293,533**	1,293,532
	22,762,345	30,201,634

The Group is subject to litigation in the normal course of its business. The Group’s management does not believe that the outcome of these court cases will have any material impact on the Group's results or financial position.

15. COMMITMENTS

Significant capital expenditure contracted for ongoing activities of the Group’s store/warehouse at the end of the reporting period is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Group's store / warehouse commitments	**24,326,399**	5,479,777

(All amounts are in Saudi Riyals unless otherwise stated)

16. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding.

The calculation of diluted earnings per share is not applicable to the Group. Also, no separate earnings per share calculation from continuing operations has been presented since there were no discontinued operations during the period.

The calculation of earnings per share is given below:

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Profit for the period attributable to ordinary equity holders	**238,548**	10,154,709
Weighted average number of shares outstanding during the period	**35,822,741**	35,874,448
Profit per share	**0.01**	0.28

17. RELATED PARTY BALANCES AND TRANSACTIONS

17-1 Due from a related party

- The Group is entitled to receive a total amount of SAR 6.4 million (excluding VAT) from Telal Jeddah Real Estate Company, a related party, consisting of three unequal payments starting from 2022.
- During the second quarter of 2022 and 2023, the first and second payments have been received for an amount of SAR 643,370 and SAR 1,286,735, respectively.
- During 2024, the Group received the third and final payment amounting to SAR 4,503,574.
- The balance as at 30 June 2026 is SAR 965,051 (31 December 2025: SAR 965,051).

17-2 Related parties' transactions

Related party	**Nature Relationship**	**Nature of the transaction**	**30 June 2026 (Unaudited)**	30 June 2025 (Unaudited)
Inheritors of Abdullah Taha Baksh	One of the owners of Abrar International Holding Company, which is one of the main shareholders in the Company	Payment of lease liabilities for two showrooms and plot of land	**4,084,250**	3,784,250

17-3 Compensation of key management personnel

The Group provides remuneration to directors, executive officers, and key management personnel as follows:

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Short term benefits	**7,646,874**	4,292,926
End-of-service benefits	**247,766**	182,733
	7,894,640	4,475,659

(All amounts are in Saudi Riyals unless otherwise stated)

18. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME HELD FOR SALE

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
ACE International Hardware Holdings Ltd (AIH) (*)	-	8,671,163
Percentage of shareholding	-	2.3%
Number of shares	-	22,022

(*) ACE International Hardware Holdings Ltd (AIH) is a limited liability company incorporated under the laws of Bermuda. The company is a majority-owned and controlled subsidiary of ACE Hardware Corporation, with a non-controlling interest owned by its international customers.

The Class A-2 shares of the AIH are transferable among eligible owners; however, certain transfer restrictions and minimum Class A-2 share ownership requirements exist as set forth in AIH By-Laws. Upon termination of the relationship with the Company, investors have the opportunity to sell their Class A-2 shares to successor investors. AIH may, but is not legally obligated to, purchase the Class A-2 shares from investors at the prevailing purchase price.

On January 13, 2026, the Group entered into a Release and Settlement Agreement with AIH resulting in the disposal of its entire investment in AIH. The transaction was executed as part of a comprehensive settlement of outstanding commercial obligations.

Under the settlement terms, the Group transferred its entire shareholding of 22,022 shares to AIH at a redemption value of USD 105 per share, aggregating to USD 2,312,310 (equivalent to SAR 8,671,163), which was applied as settlement against the outstanding payables.

The Group has designated its investment in AIH at fair value through other comprehensive income.
The fair value of the investment is as follows:

	Fair value as at		**Net changes in the fair value for the Six-month period ended 30 June**	
	30 June 2026	31 December 2025	**2026**	**2025**
Unquoted	**(Unaudited)**	(Audited)	**(Unaudited)**	(Unaudited)
ACE International Hardware Holdings	-	8,671,163	-	(218,396)

Movement during the period / year is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Beginning balance for the period / year	**8,671,163**	8,889,559
Net changes in the fair value	-	(218,396)
Disposal	**(8,671,163)**	-
Closing balance	-	8,671,163

(All amounts are in Saudi Riyals unless otherwise stated)

19. SEGMENTS INFORMATION

The Group has two major operating segments, namely, sales and services and logistic services and both are operating inside Saudi Arabia.

Sales and Services segment: This segment includes the sale of goods made to retail and wholesale customers. The service department represents the services department's income from the delivery, installation, and maintenance of items sold.

Logistic Services: The logistics and related services segment provide a comprehensive logistics offering to its clients, including freight forwarding, transportation, and contract logistics.

The Group's Chief Executive Officer reviews the internal management reports of each segment at least quarterly for the purpose of resource allocation and assessment of performance. Operating segments are organized based on factors including distribution method, targeted customers, and geographic location.

The segment information provided to the strategic steering committee for the operating segment as of and for the three-month and six-month periods ended 30 June 2026 and 2025 is as follows:

For the Six-month period ended 30 June 2026 (Unaudited)	**Sales and services**	**Logistics**	**Total**
Revenues:			
Total segment revenue	**465,139,638**	**26,453,463**	**491,593,101**
Inter-segment revenue	**-**	**(17,722,514)**	**(17,722,514)**
Revenue from external customers	**465,139,638**	**8,730,949**	**473,870,587**
Timing of revenue recognition:			
At a point in time	**464,116,539**	**-**	**464,116,539**
Overtime	**1,023,099**	**8,730,949**	**9,754,048**
Revenue from external customers	**465,139,638**	**8,730,949**	**473,870,587**
Other income	**5,945,427**	**-**	**5,945,427**
Profit / (loss) from operations	**12,351,715**	**(3,661,648)**	**8,690,067**
Finance cost	**(7,337,814)**	**(63,705)**	**(7,401,519)**
Profit / (loss) before Zakat	**5,013,901**	**(3,725,353)**	**1,288,548**
Zakat	**(1,050,000)**	**-**	**(1,050,000)**
Profit / (loss) for the period	**3,963,901**	**(3,725,353)**	**238,548**

Other segment information:

For the Six-month period ended 30 June 2026 (Unaudited)	**Sales and services**	**logistics**	**Total**
Capital expenditures	**7,046,709**	**21,528**	**7,068,237**
Depreciation and amortisation	**21,525,503**	**1,371,831**	**22,897,334**
Depreciation of right-of-use asset	**26,296,762**	**29,211**	**26,325,973**
Total segment assets:			
30 June 2026 (Unaudited)	**927,540,863**	**31,746,806**	**959,287,669**
31 December 2025 (Audited)	1,039,662,098	36,282,026	1,075,944,124
Total segment liabilities:			
30 June 2026 (Unaudited)	**584,252,794**	**17,587,082**	**601,839,876**
31 December 2025 (Audited)	691,725,529	13,431,265	705,156,794

(All amounts are in Saudi Riyals unless otherwise stated)

19. SEGMENTS INFORMATION (continued)

For the Six-month period ended 30 June 2025 (Unaudited)	**Sales and services**	**Logistics**	**Total**
Revenues:			
Total segment revenue	494,503,222	36,382,162	530,885,384
Inter-segment revenue	-	(16,194,357)	(16,194,357)
Revenue from external customers	494,503,222	20,187,805	514,691,027
Timing of revenue recognition:			
At a point in time	493,868,018	-	493,868,018
Overtime	635,204	20,187,805	20,823,009
	494,503,222	20,187,805	514,691,027
Other income	11,961,586	515,886	12,477,472
Profit from operations	20,871,405	3,872,451	24,743,856
Finance cost	(14,095,233)	(44,414)	(14,139,647)
Profit before zakat	6,776,172	3,828,037	10,604,209
Zakat	(449,500)	-	(449,500)
Profit for the period	6,326,672	3,828,037	10,154,709

Other segment information:

For the Six-month period ended 30 June 2025 (Unaudited)	**Sales and services**	**logistics**	**Total**
Capital expenditures	2,234,126	1,735,174	3,969,300
Depreciation and amortization	21,313,534	1,381,865	22,695,399
Depreciation of right-of-use asset	26,785,331	29,211	26,814,542
Total segment assets:			
30 June 2025 (Unaudited)	1,160,894,106	37,135,388	1,198,029,494
31 December 2024 (Audited)	1,220,979,790	31,881,386	1,252,861,176
Total segment liabilities:			
30 June 2025 (Unaudited)	846,331,208	15,467,976	861,799,184
31 December 2024 (Audited)	907,799,567	18,767,612	926,567,179

20. COMPARATIVE INFORMATION

Comparatives information for the previous year has been reclassified where necessary, in order to conform to the current period's presentation. Such reclassifications do not affect the previously reported profit, net asset or equity of the Group.

21. DIVIDENDS PYABLE

The Board of Directors, in their meeting held on 3 March 2026 (corresponding 14 Ramadan 1447), proposed and approved a cash dividend distribution to Company's shareholders totaling SAR 8,951,737 (representing SAR 0.25 per share).

22. GEOPOLITICAL DEVELOPMENTS

The Group continues to monitor the regional geopolitical developments and their potential impact on Saudi Arabia and the broader GCC environment given that the majority of the Group's operations are conducted within Saudi Arabia. While the situation remains evolving, the Group maintains a robust operational framework to manage associated risks. These developments have not had a material impact on Group's financial statements for the period ended 30 June 2026; however, given the evolving nature of the conflict, the potential long-term impact on the Group's business will continue to be assessed on future reporting dates.

23. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

Management believes that there are no significant subsequent events since the end of the period that would require disclosure or amendment of these condensed consolidated interim financial statements.

24. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS.

These condensed consolidated interim financial statements have been approved by the Board of Directors on 6 August 2026 (corresponding to 23 Safar 1448H).