

NOFOTH FOOD PRODUCTS COMPANY
A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026
AND THE INDEPENDENT AUDITOR'S REVIEW REPORT

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026

INDEX	PAGE
- Independent auditor's review report on interim condensed financial statements	1
- Interim condensed statement of financial position	2
- Interim condensed statement of profit or loss and other comprehensive income (unaudited)	3
- Interim condensed statement of changes in equity (unaudited)	4
- Interim condensed statement of cash flows (unaudited)	5 - 6
- Notes to the interim condensed financial statements	7 - 22



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

To the Shareholders of Nofoth Food Products Company

A Saudi Joint Stock Company
Riyadh, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Nofoth Food Products Company (a Saudi Joint Stock Company) (the "Company") as at 31 March 2026, and the related interim condensed statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the three-month period then ended, and other explanatory notes (the "interim condensed financial statements").

Management is responsible for the preparation and presentation of these interim condensed financial statements 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 these interim condensed financial statements 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", 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

Other matter

The comparative information for the interim condensed statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2025, and the interim condensed statements of changes in equity and cash flows for the same period, were reviewed by another auditor, who issued an unmodified review report thereon dated 9 Dhul-Qi'dah 1446H (corresponding to 7 May 2025).

For Alzoman, Alfahad & Alhajjaj Professional Services

Zaher Abdullah Al Hajjaj
Certified Public Accountant
License no. (562)



Riyadh, Kingdom of Saudi Arabia

Date: 20 Dhul-Qi'dah 1447H
Corresponding to: 7 May 2026

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

	Note	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Assets			
Non-current assets			
Property and equipment, net	5	72,751,796	73,745,456
Right-of-use assets, net	6	52,430,721	57,173,405
Intangible assets, net	7	3,424,002	3,521,092
Long-term investments	8	40,562,400	40,952,000
Total non-current assets		169,168,919	175,391,953
Current assets			
Inventory, net	9	20,876,000	19,394,478
Trade receivables, prepaid expenses and other assets, net	10	31,372,807	25,596,868
Financial investments at fair value through profit or loss	12	49,651,753	49,009,600
Cash and cash equivalents	13	17,218,439	6,409,575
Total current assets		119,118,999	100,410,521
Total assets		288,287,918	275,802,474
Equity and liabilities			
Equity			
Share capital	1	96,000,000	96,000,000
Employees' defined benefits remeasurement reserve		(997,414)	(997,414)
Fair value reserve of financial instruments at FVOCI		(371,875)	10,361
Treasury shares	14	(11,467,208)	(7,563,590)
Retained earnings		112,202,127	97,883,662
Total equity		195,365,630	185,333,019
Liabilities			
Non-current liabilities			
Lease liabilities - non-current portion	6	33,415,538	37,044,718
Employees' benefit obligations		7,874,422	7,448,063
Deferred revenue - non-current portion		455,457	526,707
Total non-current liabilities		41,745,417	45,019,488
Current liabilities			
Lease liabilities - current portion	6	17,279,077	17,125,604
Deferred revenue - current portion		285,000	285,000
Trade payable, accrued expenses and other liabilities	15	31,687,613	26,577,458
Provision for zakat		1,925,181	1,461,905
Total current liabilities		51,176,871	45,449,967
Total liabilities		92,922,288	90,469,455
Total equity and liabilities		288,287,918	275,802,474

Chief Financial Officer



Chief Executive Officer



Chairman of the Board of Directors



The accompanying notes from 1 to 25 are an integral part of these interim condensed financial statements.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

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

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

	Note	For the three-month period ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
Sales	17	109,358,396	114,295,222
Cost of Sales	18	(41,162,228)	(41,023,159)
Gross profit		68,196,168	73,272,063
Expenses			
Selling and marketing expenses	19	(39,928,160)	(39,334,565)
General and administrative expenses	20	(13,850,608)	(13,549,842)
Provision for expected credit losses	10	(336,732)	(133,530)
Profit from main operations		14,080,668	20,254,126
Unrealized gain from the revaluation of financial investments at fair value through profit or loss	12	642,153	772,565
Finance costs	6	(714,016)	(565,770)
Other income, net		774,670	359,771
Net profit before zakat for the period		14,783,475	20,820,692
Zakat		(465,010)	(593,576)
Net profit for the period		14,318,465	20,227,116
Other comprehensive loss for the period			
Items that may be reclassified to profit or loss in subsequent periods:			
Fair value loss on long-term investments designated at fair value through other comprehensive income	8	(382,236)	-
Total other comprehensive loss for the period		(382,236)	-
Total comprehensive income for the period		13,936,229	20,227,116
Earnings per share			
Basic and diluted earnings per share for the period	21	0.15	0.21

Chief Financial Officer

Chief Executive Officer

Chairman of the Board of Directors

The accompanying notes from 1 to 25 are an integral part of these interim condensed financial statements.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026

(ALL AMOUNTS ARE IN ₪ UNLESS OTHERWISE STATED)

	Share capital	Employees' defined benefits remeasurement reserve	Fair value reserve of financial instruments at FVOCI	Treasury shares	Retained earnings	Total
Balance as at 1 January 2025 (Audited)	48,000,000	(810,390)	-	(6,920,027)	101,049,846	141,319,429
Total comprehensive income for the period	-	-	-	-	20,227,116	20,227,116
Balance as at 31 March 2025 (Unaudited)	48,000,000	(810,390)	-	(6,920,027)	121,276,962	161,546,545
Balance as at 1 January 2026 (Audited)	96,000,000	(997,414)	10,361	(7,563,590)	97,883,662	185,333,019
Net profit for the period	-	-	-	-	14,318,465	14,318,465
Other comprehensive loss for the period	-	-	(382,236)	-	-	(382,236)
Total comprehensive income for the period	-	-	(382,236)	-	14,318,465	13,936,229
Purchase of treasury shares (Note 14)	-	-	-	(3,903,618)	-	(3,903,618)
Balance as at 31 March 2026 (Unaudited)	96,000,000	(997,414)	(371,875)	(11,467,208)	112,202,127	195,365,630

Chief Financial Officer

Chief Executive Officer

Chairman of the Board of Directors

The accompanying notes from 1 to 25 are an integral part of these interim condensed financial statements.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

	Note	For the three-month period ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
Cash flows from operating activities			
Net profit for the period before zakat		14,783,475	20,820,692
Adjustments to reconcile net profit for the period before zakat:			
Depreciation of property and equipment	5	2,515,040	3,317,950
Depreciation of right-of-use assets	6	4,714,579	4,516,243
Amortization of intangible assets		97,090	84,628
Gain on disposal of property and equipment		(123,442)	(54,359)
Gain on disposal of lease contracts		(68,114)	-
Income from Islamic murabaha deposits		-	(166,596)
Unrealized gain from the revaluation of financial investments at fair value through profit or loss	12	(642,153)	(772,565)
Write-off of advance to suppliers	20	261,672	-
Provision for expected credit losses	10	336,732	133,530
Accrued investment income	8	(542,636)	-
Amortization of deferred revenue		(71,250)	(71,249)
Provision for employees benefits obligations		661,114	638,462
Finance costs	6	714,016	565,770
		22,636,123	29,012,506
Changes in operating assets and liabilities			
Inventory		(1,481,522)	(2,955,916)
Trade receivables, prepaid expenses and other assets		(6,374,343)	(7,735,112)
Trade payable, accrued expenses and other liabilities		3,391,055	38,933
Cash generated from operations		18,171,313	18,360,411
Employees benefit obligations paid		(234,755)	(122,549)
Zakat paid	16	(1,734)	-
Net cash generated from operating activities		17,934,824	18,237,862
Cash flows from investing activities			
Purchase of property and equipment	5	(1,528,942)	(2,081,989)
Proceeds from disposal of property and equipment		131,004	55,000
Purchase of financial investments at fair value through profit or loss		-	(75,000,000)
Proceeds from islamic murabaha deposits		-	74,355,554
Investment income received	8	550,000	-
Income receipt from islamic murabaha deposits		-	1,880,266
Net cash used in investing activities		(847,938)	(791,169)

The accompanying notes from 1 to 25 are an integral part of these interim condensed financial statements.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

	Note	For the three-month period ended 31 March	
		2026 (Unaudited)	2025 (Unaudited)
Cash flows used in financing activities			
Purchase of treasury shares	14	(3,903,618)	-
Lease liability paid	6	(2,374,404)	(4,357,927)
Net cash used in financing activities		(6,278,022)	(4,357,927)
Net change in cash and cash equivalents		10,808,864	13,088,766
Cash and cash equivalents at the beginning of the period	13	6,409,575	3,775,047
Cash and cash equivalents at the end of the period	13	17,218,439	16,863,813
Non-Cash Transactions:			
Addition to the right-of-use assets and related lease liabilities	6	1,096,060	4,520,903
Remeasurement of right-of-use assets against lease liabilities	6	159,261	1,852,255
Transferred from projects under construction to property and equipment	5	624,677	509,575
Transferred from lease liabilities to accrued expenses	6 & 15	1,719,100	-

Chief Financial Officer



Chief Executive Officer



Chairman of the Board of Directors



The accompanying notes from 1 to 25 are an integral part of these interim condensed financial statements.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

1. ORGANIZATION AND ACTIVITIES

Nofoth Food Products Company is a Saudi listed joint stock company (“the Company”) registered in the Kingdom of Saudi Arabia under Commercial Registration number 1010441682 issued in Riyadh, on 1 Jumada al-Awwal 1437 H (corresponding to 10 February 2016) and Unified number 7011006397.

The Company's activities include retail sales of bakery products and sugary sweets, retail sales of nuts, coffee, spices, and perfumes, operating service restaurants, providing food service contracting, managing main offices, manufacturing sugary sweets such as confectionery, caramel, toffee, and nougat, operating dry food stores, offering light transportation services, wholesale of used oils and export, automated bread production, pie manufacturing, biscuit production, and the production of various types of popular and oriental sweets. The Company also handles the road transport of goods, including refrigerated, frozen goods and main offices activities.

On 1 June 2025 (corresponding to 5 Dhu al-Hijjah 1446H), the Extraordinary General Assembly of the Company approved the Board of Directors’ recommendation to increase the Company’s share capital from ﷲ 48,000,000 to ﷲ 96,000,000 through the issuance of 48,000,000 bonus shares. The increase was effected by capitalizing ﷲ 48,000,000 from retained earnings, at the rate of one bonus share for every share held. Following the increase, the Company’s share capital amounted to ﷲ 96,000,000, divided into 96,000,000 shares with a nominal value of ﷲ 1 each.

On 11 Rajab 1447 H (corresponding to 31 December 2025), Tadawul Saudi Arabia approved the Company’s request to transfer its shares from Nomu - Parallel Market to the Main Market.

Pursuant to Tadawul’s announcement dated 19 January 2026 (corresponding to 30 Rajab 1447 H), the Company’s shares were listed and trading commenced on the Main Market effective 21 January 2026 (corresponding to 02 Sha’ban 1447 H) under trading symbol (2288) within the Food Production sector, with a daily price fluctuation limit of 10%.

The registered head office address of the Company is: Kingdom of Saudi Arabia - Riyadh - 6383 Abi Bakr As-Siddiq Road, Al-Nuzha District, 2747.

Geopolitical Developments

The Company 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 Company’s operations are conducted within the Kingdom of Saudi Arabia. While the situation remains evolving, the Company maintains a robust operational framework to manage associated risks. These developments have not had a material impact on Company's financial statements for the period ended 31 March 2026; however, given the evolving nature of the conflict, the potential long-term impact on the Company’s business will continue to be assessed on future reporting dates.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

(ALL AMOUNTS ARE IN ₪ UNLESS OTHERWISE STATED)

2. BASIS OF PREPARATION

2-1 Statement of compliance

The interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA). These interim condensed financial statements do not include all the information and disclosures required for a complete set of financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2025. The results for the three-month period ended 31 March 2026 are not necessarily indicative of the results that may be expected for the year ending 31 December 2026. However, selected explanatory notes have also been included to explain significant events and transactions to understand the changes in the financial position and financial performance of the Company since 31 December 2025.

2-2 Basis of measurement

The interim condensed financial statements have been prepared on a historical cost basis, except where IFRS requires the use of another measurement basis, and in accordance with the accrual basis and the going concern basis.

2-3 Functional and presentation currency

These interim condensed financial statements are presented in Saudi Riyal, which is the Company's functional and presentation currency. All financial information presented in Saudi Riyals has been rounded to the nearest Saudi Riyal, unless otherwise stated.

3. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

New and revised standards, interpretations and amendments effective during the period

The following new and revised standards, interpretations and amendments are effective in the current period but are either not relevant to the Company or their application does not have any material impact on the interim condensed financial statements of the Company other than presentation and disclosures, except as stated otherwise.

Lack of exchangeability (Amendments to IAS 21)

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.

Annual Improvements to IFRS Accounting Standards

The pronouncement comprises the following amendments:

- IFRS 1: Hedge accounting by a first-time adopter
- IFRS 7: Gain or loss on derecognition
- IFRS 7: Disclosure of deferred difference between fair value and transaction price
- IFRS 7: Introduction and credit risk disclosures
- IFRS 9: Lessee derecognition of lease liabilities
- IFRS 9: Transaction price
- IFRS 10: Determination of a ‘de facto agent’

Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements

The amendments aim at enabling entities to include information in their financial statements that in the IASB’s view more faithfully represents contracts referencing nature-dependent electricity.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

(ALL AMOUNTS ARE IN ₪ UNLESS OTHERWISE STATED)

3. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS (CONTINUED)

New and revised standards, interpretations and amendments issued but not effective

The following new and revised standards, interpretations and amendments are effective for periods beginning on or after 1 April 2026 and earlier application is permitted; however, the Company has not early adopted them in preparing these interim condensed financial statements.

IFRS 18 Presentation and Disclosures in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

4. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted by the Company for the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2025.

Use of judgments and estimates

The preparation of these interim condensed financial information requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are consistent with those disclosed in the Company's most recent annual financial statements for the year ended 31 December 2025.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

(ALL AMOUNTS ARE IN ₪ UNLESS OTHERWISE STATED)

5. PROPERTY AND EQUIPMENT, NET

	Lands	Leasehold improvements*	Electrical tools and equipment	Vehicles	Furniture and fixture	Projects under construction**	Total
Cost							
Balance as at 1 January 2026 (Audited)	31,250,067	37,956,192	30,945,799	10,402,697	4,361,433	5,609,181	120,525,369
Additions during the period	-	-	473,175	-	22,020	1,033,747	1,528,942
Transferred from projects under construction	-	-	605,371	-	19,306	(624,677)	-
Disposals during the period	-	-	-	(348,500)	-	-	(348,500)
Balance as at 31 March 2026 (Unaudited)	31,250,067	37,956,192	32,024,345	10,054,197	4,402,759	6,018,251	121,705,811
Accumulated depreciation							
Balance as at 1 January 2026 (Audited)	-	24,600,768	15,128,323	4,167,415	2,883,407	-	46,779,913
Charged for the period	-	1,623,054	615,732	206,134	70,120	-	2,515,040
Disposals during the period	-	-	-	(340,938)	-	-	(340,938)
Balance as at 31 March 2026 (Unaudited)	-	26,223,822	15,744,055	4,032,611	2,953,527	-	48,954,015
Net book value							
As at 31 March 2026 (Unaudited)	31,250,067	11,732,370	16,280,290	6,021,586	1,449,232	6,018,251	72,751,796

- Property and equipment's include fully depreciated assets that remain in use and are still recorded in the accounting books. The cost of these assets amounted to ₪ 12,662,729 as at 31 March 2026 (31 December 2025: ₪ 10,755,422).

* Leasehold improvements represent enhancements made to leased buildings and branches under lease agreements with terms of up to five years, renewable upon mutual agreement of the contracting parties (Note 6).

** Projects under construction represent ongoing works related to the preparing and installing decorations and equipment for the central factory and the main residence, both of which are still under development. Completion of the main residence is expected during the year 2026.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

(ALL AMOUNTS ARE IN ₪ UNLESS OTHERWISE STATED)

5. PROPERTY AND EQUIPMENT, NET (CONTINUED)**Change in accounting estimate - Useful lives of property and equipment**

During the year ended 31 December 2025, the Company revised the estimated useful lives of its property and equipment based on an independent valuation performed by AH Valuation (licensed by the Saudi Authority for Accredited Valuers - Taqueem, License No. 43028). The useful lives were revised from 5 years to 8 years for office equipment and furniture, and from 5 years to 9 years for kitchen equipment, cars and vehicles.

This change represents a change in accounting estimate in accordance with IAS 8 and has been applied prospectively from 1 October 2025. Accordingly, for the three-month period ended 31 March 2026, depreciation expense decreased by ₪ 974,278 compared to the amount that would have been recognized under the previous estimates. This change is expected to continue to have a favourable impact on the Company's financial performance in subsequent periods.

	Lands	Leasehold improvements	Electrical tools and equipment	Vehicles	Furniture and fixture	Projects under construction	Total
Cost							
Balance as at 1 January 2025	31,250,067	35,336,606	26,882,677	7,223,186	4,137,265	1,654,396	106,484,197
Additions during the year	-	-	3,140,809	3,990,761	149,716	8,097,278	15,378,564
Transferred from projects under construction	-	3,145,728	922,313	-	74,452	(4,142,493)	-
Disposals during the year	-	(526,142)	-	(811,250)	-	-	(1,337,392)
Balance as at 31 December 2025	31,250,067	37,956,192	30,945,799	10,402,697	4,361,433	5,609,181	120,525,369
Accumulated depreciation							
Balance as at 1 January 2025	-	16,649,078	12,359,457	3,631,447	2,305,018	-	34,945,000
Charged for the year	-	8,328,993	2,768,866	1,198,360	578,389	-	12,874,608
Disposals during the year	-	(377,303)	-	(662,392)	-	-	(1,039,695)
Balance as at 31 December 2025	-	24,600,768	15,128,323	4,167,415	2,883,407	-	46,779,913
Net book value							
As at 31 December 2025	31,250,067	13,355,424	15,817,476	6,235,282	1,478,026	5,609,181	73,745,456

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

(ALL AMOUNTS ARE IN ₪ UNLESS OTHERWISE STATED)

6. LEASES

Right-of-use assets represent buildings and branches recognized under lease contracts, which are depreciated on a straight-line basis over the term of the lease contract, ranging up to 5 years.

The following table presents the movement in right-of-use assets and corresponding lease liabilities during the period/year:

A- Movement in right-of-use assets

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Cost		
Balance as at the beginning of the period/year	99,830,302	82,686,790
Additions during period/year	1,096,060	14,962,638
Re-measurement during the period/year*	159,261	13,409,057
Disposal during the period/year	(2,825,852)	(11,228,183)
Balance as at the end of the period/year	98,259,771	99,830,302
Accumulated depreciation		
Balance as at the beginning of the period/year	42,656,897	34,217,322
Charged for the period/year	4,714,579	18,967,863
Disposal during the period/year	(1,542,426)	(10,528,288)
Balance as at the end of the period/year	45,829,050	42,656,897
Net book value	52,430,721	57,173,405

B- Movement on lease liabilities

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Balance as at the beginning of the period/year	54,170,322	44,556,986
Additions during the period/year	1,096,060	14,962,638
Re-measurement during the period/year*	159,261	13,409,057
Disposal during the period/year	(1,351,540)	(753,946)
Interest expense amortized during the period/year	714,016	2,674,011
Transferred from lease liabilities to accrued expenses (Note 15)	(1,719,100)	(390,259)
Paid during the period/year	(2,374,404)	(20,288,165)
Balance as at the end of the period/year	50,694,615	54,170,322

The balance is classified in the interim condensed statement of financial position as follows:

Non-current portion	33,415,538	37,044,718
Current portion	17,279,077	17,125,604
Balance as at the end of the period/year	50,694,615	54,170,322

*During the period, the lease liabilities were remeasured due to reassessments of lease terms and changes in future lease payments. Upon remeasurement, the lease liabilities were discounted using a revised incremental borrowing rate at the date of reassessment, with the corresponding adjustment recognised against the related right-of-use assets.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

(ALL AMOUNTS ARE IN ₪ UNLESS OTHERWISE STATED)

7. INTANGIBLE ASSETS, NET

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Trademark	2,798,863	2,879,599
Goodwill	374,683	374,683
Program	250,456	266,810
	3,424,002	3,521,092

8. LONG-TERM INVESTMENTS

Long-term investments comprise the following:

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	40,952,000	-
Additions during the period/year	-	40,920,413
Accrued investment income during the period/year	542,636	21,226
Investment income received during the period/year	(550,000)	-
Unrealised fair value (loss)/gain recognised in OCI during the period/year	(382,236)	10,361
Balance at the end of the period/year	40,562,400	40,952,000

8.1 The Company invested ₪ 40.92 million in Sukuks, issued by Al Rajhi Bank, with a face value of ₪ 100 each. The Sukuks carry mark-up of 5.5% per annum and are classified at fair value through other comprehensive income. The Sukuks are listed on Tadawul and are currently actively traded in the market. The fair value of the Sukuks as at 31 March 2026 was ₪ 101.41 per certificate (31 December 2025: ₪ 102.38 per certificate).

9. INVENTORY, NET

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Food	9,685,073	8,819,693
Packing and wrapping material	6,247,207	6,236,360
Finished goods	3,250,926	2,790,850
Consumable items	1,601,409	1,439,978
Cleaning materials	487,033	515,485
Office supplies	61,872	49,632
	21,333,520	19,851,998
Less:		
Provision for slow-moving inventory	(457,520)	(457,520)
	20,876,000	19,394,478

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

(ALL AMOUNTS ARE IN ₪ UNLESS OTHERWISE STATED)

10. TRADE RECEIVABLES, PREPAID EXPENSES AND OTHER ASSETS, NET

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Trade receivables	13,153,424	11,611,814
Trade receivable - related parties (Note 11)	721,550	590,301
(Less): Provision for expected credit losses	(892,579)	(555,847)
	12,982,395	11,646,268
Advance to suppliers*	12,552,576	7,661,953
Prepaid expenses	4,434,529	4,578,824
Advances to employees	1,119,300	1,425,816
Other	284,007	284,007
	31,372,807	25,596,868

*Advance to suppliers include an amount of ₪ 49,929 (2025: ₪ 18,082) representing a balance with a related party, as detailed in Note 11(c).

The movement in the provision for expected credit losses is as follows:

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	555,847	115,252
Charged during the period/year	336,732	440,595
Balance at the end of the period/year	892,579	555,847

Aging of trade receivables is as follows:

	31 March 2026	31 December 2025
From 1 day to 30 days	10,302,349	9,695,448
From 31 days to 60 days	1,133,574	628,862
From 61 days to 90 days	935,461	679,850
More than 90 days	1,503,590	1,197,955
	13,874,974	12,202,115

The following is an analysis of the aging of trade receivables and the related allowance for expected credit losses as at 31 December:

	31 March 2026			31 December 2025		
	Total book value	Expected credit loss rate	Provision for expected credit losses	Total book value	Expected credit loss rate	Provision for expected credit losses
From 1 day to 30 days	10,302,349	1.82%	187,705	9,695,448	1.37%	133,311
From 31 days to 60 days	1,133,574	12.76%	144,592	628,862	9.90%	62,259
From 61 days to 90 days	935,461	22.09%	206,619	679,850	18.31%	124,507
More than 90 days	1,503,590	23.52%	353,663	1,197,955	19.68%	235,770
Total	13,874,974		892,579	12,202,115		555,847

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

(ALL AMOUNTS ARE IN ₪ UNLESS OTHERWISE STATED)

11. RELATED PARTIES

The Company, in the ordinary course of its business, engages in transactions with related parties. These transactions are conducted on terms approved by management and are consistent with those applicable to arm's length transactions.

A-The transactions with related parties during the three-month period ended 31 March are as follows:

Related party	Nature of relationship	Nature of transaction	2026 (Unaudited)	2025 (Unaudited)
Musakhan Waraq Enab for providing Meals	Affiliate*	Sales	201,086	248,943
First Travel Tourism Company	Affiliate*	Purchases	96,061	58,016
Abdullah Al-ameqan Real Estate Company	Affiliate*	Rental	-	631,854

*An affiliate is a related party whose shareholders own a share in the capital of the Company, or it is those related parties in whose management the Company has representation.

B-The following represents balance of trade receivable due from related parties:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Musakhan Waraq Enab for Providing Meals (Note 10)	448,310	317,061
Vaza Food Company (Note 10)	273,240	273,240
	721,550	590,301

C-The following represents the advance paid to related party:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
First Travel Tourism Company (Note 10)	49,929	18,082
	49,929	18,082

D-TRANSACTIONS WITH SENIOR EXECUTIVES

The related parties also represent the non-executive members of the Board of Directors and the senior management personnel of the Company. Senior management personnel are individuals who exercise the authority and responsibility in planning, managing and controlling the activities of the Company, directly or indirectly, including the managers. The transactions for the three-month period ended 31 March are as follows:

	2026 (Unaudited)	2025 (Unaudited)
Salaries, allowances and bonuses for executive management	3,133,168	3,251,425
Allowances and bonuses for the Board of Directors	240,000	240,000
Allowances and bonuses for Committees	141,500	109,500
	3,514,668	3,600,925

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

(ALL AMOUNTS ARE IN ₪ UNLESS OTHERWISE STATED)

12. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial investments at fair value through profit or loss represent investments in units of the Artal Murabaha Fund (A Saudi closed ended public fund managed by Artal Capital Company). The investment is classified at fair value through profit or loss as it is managed and evaluated on a fair value basis. The fair value is determined based on the published net asset value per unit at the reporting date, and any resulting gains or losses are recognised in the statement of profit or loss.

The following table presents the movement in cost of financial investments through profit or loss:

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	45,000,000	-
Deposited during the period/year	-	85,000,000
Withdrawn during the period/year	-	(40,000,000)
Balance at the end of the period/year (at cost)	45,000,000	45,000,000

The following table presents the reconciliation of financial investments at fair value through profit or loss.

Description	Number of units	Opening Market value	Unrealized gains	Realized gains	Closing Market value
As at 31 March 2026					
Artal Murabaha Fund	4,169,537.76	49,009,600	642,153	-	49,651,753
As at 31 December 2025					
Artal Murabaha Fund	4,169,537.76	45,000,000	2,005,200	2,004,400	49,009,600

13. CASH AND CASH EQUIVALENTS

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Cash at banks	16,290,115	5,234,140
Cash in hand	928,324	1,175,435
	17,218,439	6,409,575

14. TREASURY SHARES

On 25 Jumada al-Thani 1445 H (corresponding to 7 January 2024), the Extraordinary General Assembly approved the Board of Directors' recommendation from its meeting held on 14 Rabi' al-Thani 1445 H (corresponding to 29 October 2023) to purchase up to 2,400,000 of the Company's shares. These shares are held as treasury shares and allocated under the employee stock program.

Pursuant to this approval, the Company initially acquired 366,564 shares for a total consideration of ₪ 6,920,027. Following the bonus share issuance during the year ended 31 December 2025, the number of treasury shares increased to 733,128. During the same year, the Company acquired an additional 56,001 treasury shares at an aggregate cost of ₪ 643,563. Further, during the period ended 31 March 2026, the Company acquired an additional 450,700 treasury shares for a total consideration of ₪ 3,903,618.

Accordingly, as at 31 March 2026, the Company held 1,239,829 treasury shares, representing approximately 1.29% of the Company's total issued share capital, with an aggregate carrying amount of ₪ 11,467,208 (31 December 2025: ₪ 7,563,590).

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

(ALL AMOUNTS ARE IN ₪ UNLESS OTHERWISE STATED)

14. TREASURY SHARES (CONTINUED)

The shares will be retained for a maximum period of five years from the date of the Extraordinary General Assembly's approval or until allocated to eligible employees. As at the date of these financial statements, no allocation has been announced. Treasury shares are not entitled to dividends and do not carry voting rights at the Company's general assembly meetings.

The movement in treasury shares is as follows:

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Balance as at the beginning of the period/year	7,563,590	6,920,027
Additions during the period/ year	3,903,618	643,563
Balance as at the end of the period/year	11,467,208	7,563,590

15. TRADE PAYABLE, ACCRUED EXPENSES AND OTHER LIABILITIES

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Trade payable	16,850,968	13,052,721
Due to executive and non-executive directors	4,714,560	5,718,029
Allowances for vacations and tickets	4,320,257	4,584,369
Value added tax	2,165,483	1,412,019
Accrued expenses*	2,054,640	700,603
Accrued salaries, wages, and employee benefits	1,463,715	1,012,197
Others	117,990	97,520
	31,687,613	26,577,458

*The accrued expenses include an amount of ₪ 1,719,100, representing lease contract obligations due for the period ended 31 March 2026 (31 December 2025: ₪ 390,259) (Note 6).

16. PROVISION FOR ZAKAT

The Company has filed its zakat returns for all prior years up to 31 December 2025 and has obtained a preliminary zakat certificate, valid until 30 April 2026. The Zakat, Tax and Customs Authority (ZATCA) has issued final zakat assessments for the years ended 31 December 2023 and 31 December 2024, amounting to ₪ 50,680 and ₪ 1,734 respectively. The assessment relating to 2023 was settled during the year ended 31 December 2025, while the assessment relating to 2024 was fully settled during the period ended 31 March 2026. ZATCA has not yet initiated assessment for the year ended 31 December 2025.

17. SALES**Revenue recognition timing**

	For the three-month ended 31 March	
	2026	2025
	(Unaudited)	(Unaudited)
At a point of time		
Revenue from sales of food products	108,754,397	113,722,194
Over a period of time		
Revenue from granting franchise rights	603,999	573,028
Total Revenue	109,358,396	114,295,222

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

(ALL AMOUNTS ARE IN ₪ UNLESS OTHERWISE STATED)

17. SALES (CONTINUED)**Revenue recognition timing (continued)**

The Company's sales from the sale of food products are recognized at a specific point in time, while the sales from granting franchise rights are recognized over a period of time. The Company's sales are recognized within and outside the Kingdom of Saudi Arabia.

Revenue from external parties or related parties:

	For the three-month ended 31 March	
	2026	2025
	(Unaudited)	(Unaudited)
Third parties	109,157,310	114,046,279
Related parties (Note 11)	201,086	248,943
	109,358,396	114,295,222

Sales classification from customer contracts

	For the three-month ended 31 March	
	2026	2025
	(Unaudited)	(Unaudited)
Kingdom of Saudi Arabia	108,074,818	114,228,448
Qatar	1,283,578	66,774
	109,358,396	114,295,222

18. COST OF SALES

	For the three-month ended 31 March	
	2026	2025
	(Unaudited)	(Unaudited)
Material consumed	33,072,906	33,614,166
Salaries, wages and other benefits	3,710,825	3,957,974
Depreciation and amortization expenses	1,026,484	1,206,142
Repair and maintenance	1,079,773	487,206
Consumables	843,833	831,041
Electricity, water and phone charges	648,948	402,946
Governmental expenses	458,724	151,522
Others	320,735	372,162
	41,162,228	41,023,159

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

(ALL AMOUNTS ARE IN ₪ UNLESS OTHERWISE STATED)

19. SELLING AND MARKETING EXPENSES

	For the three-month ended 31 March	
	2026	2025
	(Unaudited)	(Unaudited)
Commissions of sales application	23,030,166	20,549,639
Salaries, wages and other benefits	5,599,087	6,964,051
Depreciation and amortization expenses	5,510,360	5,921,840
Marketing and advertising	1,604,222	1,787,698
Electricity, water and phone charges	1,123,579	1,011,035
Repair and maintenance	773,657	760,006
Governmental expenses	757,324	475,442
Consumables	510,626	741,114
Bank charges	368,995	370,169
Others	650,144	753,571
	39,928,160	39,334,565

20. GENERAL AND ADMINISTRATIVE EXPENSES

	For the three-month ended 31 March	
	2026	2025
	(Unaudited)	(Unaudited)
Salaries, wages and other benefits	9,987,224	9,475,558
Depreciation and amortization expenses	789,866	790,841
Travel expenses	647,729	859,342
Professional and consulting fees	455,113	288,200
Governmental expenses	411,065	214,047
Write-off of advance to suppliers	261,672	-
Short-term rentals	229,550	524,588
Repair and maintenance	208,885	323,315
Electricity, water and phone charges	210,646	238,233
Consumables	61,355	89,417
Others	587,503	746,301
	13,850,608	13,549,842

21. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the net profit for the period by the weighted average number of outstanding shares during the period.

The following table shows the basic and diluted earnings per share:

	For the three-month ended 31 March	
	2026	2025
	(Unaudited)	(Unaudited)
Net profit for the period	14,318,465	20,227,116
Weighted average number of outstanding shares during the period	95,092,773	95,266,872
Basic and diluted earnings per share for the period	0.15	0.21

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

(ALL AMOUNTS ARE IN ₪ UNLESS OTHERWISE STATED)

22. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**Liquidity risk**

Liquidity risk is the risk that the Company may encounter difficulty in raising funds to meet its financial obligations associated with financial instruments or other commitments made on behalf of others.

To reduce the liquidity risk and associated losses that may affect the business of the Company, the Company maintains, wherever possible, sufficient highly liquid current assets in all business conditions. The Company also has a highly dynamic cash flow policy and a system by which it can estimate the maturity dates of its liabilities and develop appropriate plans to provide the required funding to meet these liabilities in a timely manner.

A- The following is the maturity of liabilities as at 31 March 2026:

	<u>Book value</u>	<u>3 months or less</u>	<u>More than 3 months to 1 year</u>	<u>More than 1 year up to 10 years</u>	<u>No specific maturity dates</u>	<u>Total contractual cash flows</u>
Lease liabilities	50,694,615	4,772,850	12,335,775	36,061,921	-	53,170,546
Employees' benefit obligations	7,874,422	-	-	-	7,874,422	7,874,422
Trade payable, accrued expenses and other liabilities	31,687,613	27,367,356	4,320,257	-	-	31,687,613
	<u>90,256,650</u>	<u>32,140,206</u>	<u>16,656,032</u>	<u>36,061,921</u>	<u>7,874,422</u>	<u>92,732,581</u>

B- The following is the maturity of liabilities as at 31 December 2025:

	<u>Book value</u>	<u>3 months or less</u>	<u>More than 3 months to 1 year</u>	<u>More than 1 year up to 10 years</u>	<u>No specific maturity dates</u>	<u>Total contractual cash flows</u>
Lease liabilities	54,170,322	4,283,837	13,382,411	40,844,755	-	58,511,003
Employees' benefit obligations	7,448,063	-	-	-	7,448,063	7,448,063
Trade payable, accrued expenses and other liabilities	26,577,458	21,993,089	4,584,369	-	-	26,577,458
	<u>88,195,843</u>	<u>26,276,926</u>	<u>17,966,780</u>	<u>40,844,755</u>	<u>7,448,063</u>	<u>92,536,524</u>

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

(ALL AMOUNTS ARE IN ₪ UNLESS OTHERWISE STATED)

22. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)**Credit risk**

Credit risk arises from the possibility that one party to a financial instrument will fail to meet its contractual obligations, resulting in a financial loss to the Company. The Company, as much as possible, maintains its cash with banks that have good credit ratings. However, the Company may still be exposed to credit risk on cash balances held with banks, financial investments, trade receivables and long-term investments, as follows:

	31 March 2026	31 December 2025
	(Unaudited)	(Audited)
Financial investments at fair value through profit or loss (Note 12)	49,651,753	49,009,600
Long-term investments (Note 8)	40,562,400	40,952,000
Cash at banks (Note 13)	16,290,115	5,234,140
Trade receivables (Note 10)	13,874,974	12,202,115
	120,379,242	107,397,855

Currency risks

Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Company's transactions are primarily denominated in Saudi Riyals (₪) and, where applicable, in United States Dollars (USD). The Company monitors currency rate fluctuations and believes that the impact of currency rate risks is not material.

Fair value

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. Fair value definition includes the assumption that the Company will continue its operations where there is no intention or condition to physically limit the volume of its operations or conduct a transaction with negative terms.

Fair values are categorized into different levels in the fair value hierarchy based on the inputs used in the valuation methods as follows:

Level 1: Quoted market prices in active markets for the same financial instrument and investment property.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques that rely on inputs affecting fair value that cannot be observed, either directly or indirectly, in the market.

The following table presents the Company's financial assets measured at fair value, classified according to the fair value hierarchy.

31 March 2026	Level 1	Level 2	Level 3	Total
Long-term investments	-	40,562,400	-	40,562,400
Financial investments at fair value through profit or loss	-	49,651,753	-	49,651,753
31 December 2025	Level 1	Level 2	Level 3	Total
Long-term investments	-	40,952,000	-	40,952,000
Financial investments at fair value through profit or loss	-	49,009,600	-	49,009,600

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2026 (UNAUDITED)

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

22. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

Market price risk

Market risk refers to the risks that arise from changes in the fair value of future cash flows of financial instruments due to fluctuations in market prices. Market prices include three types of risks: interest rate risk, currency risk, and other price risks such as equity price risk and commodity price risk. Financial liabilities that are affected by market price risks include trade payable.

Interest rate risk

Interest rate risk refers to the risks that arise from changes in the fair value of future cash flows of financial instruments due to changes in the market interest rate. The assets and liabilities of the Company, as of the date of the interim condensed statement of financial position are not exposed to material interest rate risk.

23. SEGMENT INFORMATION

Segment information relates to the Company's activities and operations, which management has used as a basis for preparing its financial information, in accordance with internal reporting methods. Transactions between segments are conducted under the same terms as those with third parties.

Segment assets, liabilities, and operating activities include items that are directly attributable to a specific segment, as well as items that can be reasonably allocated to different segments. Items that cannot be allocated among segments are classified as shared assets and liabilities.

The Company mainly operates in a single segment, which is the manufacturing and sale of bakery products and related food services. Other operations relate to the sale of food and beverages through dine-in and delivery services, which have not met the quantitative thresholds for reportable segments for the three-month period ended 31 March 2026. Accordingly, segmental analysis of the statement of profit or loss and other comprehensive income and statement of financial position is not carried out, as there are no additional reportable operating segments.

Revenue generated outside the Kingdom of Saudi Arabia represents less than 10% of the Company's total revenue. Geographic information related to the Company's revenue is disclosed in note 17. Additionally, the substantial portion of the Company's operations, assets, and liabilities is located within the Kingdom of Saudi Arabia.

24. DIVIDENDS

On 12 Ramadan 1447H (corresponding to 1 March 2026), the Board of Directors recommended to the General Assembly the distribution of cash dividends to shareholders for the year ended 31 December 2025 at a rate of 16 halalas per share, representing 16% of the par value, amounting to a total of ﷲ 15,360,000. As this recommendation remains subject to approval by the General Assembly, no liability has been recognised in these interim condensed financial statements as at 31 March 2026.

25. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements have been approved for issue by the Board of Directors of the Company on 16 Dhul-Qi'dah 1447H (Corresponding to 3 May 2026).