

HERFY FOOD SERVICES COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM FINANCIAL STATEMENTS
AND REVIEW REPORT
FOR THE THREE-MONTH AND NINE-MONTH PERIODS
ENDED SEPTEMBER 30, 2025

**HERFY FOOD SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025**

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Review report on the condensed interim financial statements

To the Shareholders of Herfy Food Services Company (A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Herfy Food Services Company (the “Company”) as at September 30, 2025 and the related condensed interim statement of comprehensive income for the three-month and nine-month periods then ended, condensed interim statements of changes in equity and cash flows for the nine-month period then ended and other explanatory notes (the “condensed interim financial statements”). The Board of Directors are responsible for the preparation and presentation of these condensed interim 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 condensed interim 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”, as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

PricewaterhouseCoopers

Adel F. Alqantani
License Number 614

9 November 2025


HERFY FOOD SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2025
(All amounts in Saudi Riyals unless otherwise stated)

		September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment	6	661,902,216	761,348,456
Right-of-use assets	7	454,164,016	501,185,681
Net investments in finance lease		3,773,621	4,322,850
Intangible assets		7,724,186	9,631,437
Investment properties	8	159,592,707	151,796,197
Other non-current assets		2,447,483	2,447,483
Total non-current assets		1,289,604,229	1,430,732,104
Current assets			
Inventories	9	119,192,417	122,864,512
Trade, other receivables and prepayments	10	212,423,412	153,611,859
Net investments in finance lease – current portion		643,384	789,354
Cash and cash equivalents		15,502,600	9,622,497
Total current assets		347,761,813	286,888,222
TOTAL ASSETS		1,637,366,042	1,717,620,326
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11	646,800,000	646,800,000
Retained earnings		212,368,633	278,190,749
TOTAL EQUITY		859,168,633	924,990,749
LIABILITIES			
Non-current liabilities			
Lease liabilities	7	407,736,963	453,657,727
Employees' defined benefits liabilities		69,227,040	77,760,767
Total non-current liabilities		476,964,003	531,418,494
Current liabilities			
Lease liabilities – current portion	7	64,068,076	68,507,435
Trade and other payables	12	231,621,203	182,306,607
Zakat payable	13	5,544,127	10,397,041
Total current liabilities		301,233,406	261,211,083
TOTAL LIABILITIES		778,197,409	792,629,577
TOTAL EQUITY AND LIABILITIES		1,637,366,042	1,717,620,326

The accompanying notes 1 to 18 form part of these condensed interim financial statements.


The authorized member of the Board of Directors

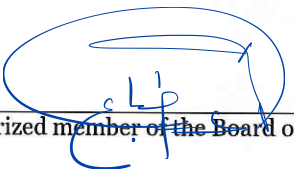

Chief Executive Office


Director of Finance


HERFY FOOD SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025
(All amounts in Saudi Riyals unless otherwise stated)

		Three-month period ended September 30,		Nine-month period ended September 30,	
	Note	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenue		264,668,362	278,654,006	817,778,223	868,817,614
Cost of revenue		(202,435,966)	(232,174,414)	(617,714,302)	(684,700,169)
Gross profit		62,232,396	46,479,592	200,063,921	184,117,445
Selling and distribution expenses		(50,086,021)	(52,493,247)	(155,221,116)	(157,923,919)
General and administrative expenses		(18,520,265)	(18,361,032)	(52,172,453)	(53,617,184)
Provision of impairment loss on financial assets		-	(1,022,464)	(1,906,753)	(532,849)
(Provision) / Reversal of impairment loss on non-financial assets		(36,205,142)	-	(38,332,555)	777,181
Other income, net		2,846,537	2,979,096	7,501,155	9,635,594
Operating Loss		(39,732,495)	(22,418,055)	(40,067,801)	(17,543,732)
Finance cost		(7,842,712)	(8,649,578)	(23,954,315)	(26,226,999)
Net Loss before zakat		(47,575,207)	(31,067,633)	(64,022,116)	(43,770,731)
Zakat	13	(550,000)	(2,300,000)	(1,800,000)	(12,846,573)
Net Loss for the period		(48,125,207)	(33,367,633)	(65,822,116)	(56,617,304)
Other comprehensive income for the period		-	-	-	-
Total comprehensive Loss for the period		(48,125,207)	(33,367,633)	(65,822,116)	(56,617,304)
Earnings per share (SR)	15				
Basic and diluted earnings per share attributable to the equity shareholders of the Company		(0.74)	(0.52)	(1.02)	(0.88)
Weighted average number of shares		64,680,000	64,680,000	64,680,000	64,680,000

The accompanying notes 1 to 18 form part of these condensed interim financial statements.


The authorized member of the Board of Directors

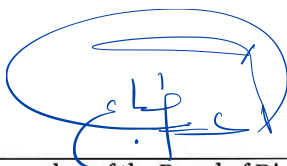

Chief Executive Office


Director of Finance

HERFY FOOD SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2025
(All amounts in Saudi Riyals unless otherwise stated)

<u>For the nine-month period ended</u> <u>September 30, 2024</u>	<u>Share</u> <u>capital</u>	<u>Retained</u> <u>earnings</u>	<u>Total</u> <u>equity</u>
Balance as at January 1, 2024 (Audited)	646,800,000	386,677,112	1,033,477,112
Net loss for the period	-	(56,617,304)	(56,617,304)
Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(56,617,304)	(56,617,304)
Balance as at September 30, 2024 (Unaudited)	646,800,000	330,059,808	976,859,808
<u>For the nine-month period ended</u> <u>September 30, 2025</u>	<u>Share</u> <u>capital</u>	<u>Retained</u> <u>earnings</u>	<u>Total</u> <u>equity</u>
Balance as at January 1, 2025 (Audited)	646,800,000	278,190,749	924,990,749
Net loss for the period	-	(65,822,116)	(65,822,116)
Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(65,822,116)	(65,822,116)
Balance as at September 30, 2025 (Unaudited)	646,800,000	212,368,633	859,168,633

The accompanying notes 1 to 18 form part of these condensed interim financial statements.



The authorized member of the Board of Directors

Chief Executive Office

Director of Finance

HERFY FOOD SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the Nine-month period ended (Unaudited)	
		September 30, 2025	September 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Loss before zakat		(64,022,116)	(43,770,731)
Adjustments for:			
Depreciation on property, plant and equipment	6	59,489,989	62,490,431
Depreciation on right-of-use assets	7	63,523,303	60,031,714
Depreciation on investment property	8	3,596,220	3,571,225
Amortization of intangible assets		1,957,251	2,501,289
Provision/(Reversal) of impairment loss on non-financial assets	6,7	38,332,555	(777,181)
Provision of for financial assets	10	1,906,753	532,849
Provision for slow-moving inventory	9	-	(400,000)
Provision for slow-moving inventory written off	9	-	(459,659)
Provision for employees' defined benefits liabilities		6,775,028	10,904,686
Loss/(gain) on disposal of property, plant and equipment		935,685	(975,698)
Interest income		(139,802)	(168,750)
Gain from termination of lease agreement		(989,417)	(204,980)
Finance cost		23,954,315	26,226,999
Movement in working capital			
Inventories		3,672,095	21,385,253
Trade, other receivables and prepayments		(60,718,306)	1,112,534
Trade and other payables		49,314,596	5,170,942
Cash generated from operating activities		127,588,149	147,170,923
Zakat paid	13	(6,652,914)	(4,681,281)
Employees' post-employment benefits paid		(15,308,755)	(16,734,640)
Net cash generated from operating activities		105,626,480	125,755,002
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(11,453,164)	(14,916,199)
Purchase of intangible assets		(50,000)	(897,000)
Ancillary finance lease income received		835,001	914,999
Proceeds from sale of property, plant and equipment		1,262,780	2,044,957
Other non-current assets		-	38,141
Net cash used in investing activities		(9,405,383)	(12,815,102)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings		-	17,500,000
Repayment of short-term borrowings		-	(30,547,137)
Principal elements of lease payments	7	(66,386,679)	(59,292,487)
Finance cost paid on lease liabilities	7	(23,954,315)	(25,809,141)
Net cash used in financing activities		(90,340,994)	(98,148,765)
Net change in cash and cash equivalents		5,880,103	14,791,135
Cash and cash equivalents at beginning of the period		9,622,497	15,109,162
Cash and cash equivalents at end of the period		15,502,600	29,900,297
Supplement information on non-cash items:			
Additions to right of use assets and lease obligation	7	21,172,345	21,315,745
Disposal to right of use assets	7	4,156,372	2,953,763
Disposal to lease obligation	7	5,145,789	3,158,743
Transfer from property, plant and equipment to investment property		(11,396,929)	(2,937,541)

The accompanying notes 1 to 18 form part of these condensed interim financial statements.

The authorized member of the Board of Directors

Chief Executive Office

Director of Finance

HERFY FOOD SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025
(All amounts in Saudi Riyals unless otherwise stated)

1 Legal status and operations

Herfy Food Services Company ("the Company") is a Saudi Joint-Stock Company formed under the laws of the Kingdom of Saudi Arabia and registered under the commercial register under No. 1010037702 on 04 Jamad-ul-Awal 1401H (corresponding to March 09, 1981).

The Company is engaged in establishing and operating restaurants, providing companies and others with cooked meals, production and sale of bakery and pastry products, the sale and purchase of lands for the purpose of constructing building and own use, maintaining, and leases stores and food store fridges.

During 2005, the Company established a meat factory in Riyadh ("Meat Factory"), which operates under commercial registration number 1010200515 issued on Jamad -ul-Thani 16, 1425 (August 2, 2004) and in accordance with industrial license number 249/S issued on Safar 16, 1422H (May 9, 2001). The Meat factory commenced production in October 2005.

During 2012, the Company established a cake factory in Riyadh ("Cake Factory"), which operates under commercial registration number 1010294755 issued on Shawwal 20, 1431 H (March 29, 2010) and in accordance with industrial license number 11583/T issued on Shawwal 18, 1431 H (March 27, 2010). The cake factory commenced production in June 2012.

As at September 30, 2025, the total number of restaurants owned and leased by the Company were 41 and 331 respectively (December 31, 2024: 40 owned and 342 leased), operating in the Kingdom of Saudi Arabia under the trademark of "HERFY". The Company also operates bakeries and bakery shops "Herfy Bakeries / Doka".

The accompanying condensed interim financial statements include the accounts of the Company's head office and aforementioned restaurants, bakeries, shops and factories.

The ultimate parent and the controlling party of the Company is Savola Group Company.

The Company's Head Office is located at the following address: Herfy Food Services Company, Al Moroug District, P.O. Box 86958, Riyadh 11632, Kingdom of Saudi Arabia

The Company has the following branches:

S. No	Branch	C.R. No.	Date
1	Herfy Meat Processing Factory	1010200515	16/06/1425 H
2	Herfy Factory For Cake & Pasties	1010294755	20/10/1431 H

2 Basis of preparation

2.1 Statement of compliance

These condensed interim financial statements of the Company as at and for the three-month and nine-month periods ended September 30, 2025 have been prepared in accordance with International Accounting Standard 34 – "Interim Financial Reporting" (IAS 34) as endorsed in the Kingdom of Saudi Arabia ("KSA") and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IAS-34 as endorsed in KSA").

The results for the three-month and nine-month periods ended September 30, 2025 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2025. These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's financial statements for the year ended December 31, 2024.

2.2 Basis of measurement

These condensed interim financial statements are prepared under the historical cost method except for employees' post-employment benefits are recognized at the present value of future obligations using the Projected Unit Credit Method.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Saudi Riyals ("SR") 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 mentioned.

**HERFY FOOD SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025**
(All amounts in Saudi Riyals unless otherwise stated)

3 Significant accounting judgements, estimates, and assumptions

In preparing these interim condensed financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. 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 were the same as those described in the annual audited financial statements for the year ended December 31, 2024, except of the following:

3.1 Significant accounting judgments in applying the entity's accounting policies

Judgment related to the impairment of the Sudair factory work in progress amounting to SR 35.7 million on leased land from The Saudi Authority for Industrial Cities and Technology Zones "Modon"

A number of interrelated accounting judgements have been made in respect of the Sudair factory building as set out below.

Impairment:

The Company has constructed a factory building on land leased from Modon but has not yet brought it into service, which represents a breach of the terms of the lease. After negotiating with Modon, the Company has not been able to provide a plan to return to compliance that was acceptable to Modon. At the current time, the Company expects Modon to terminate the lease at which point the Company will forfeit its right of use of the land and its improvements without contractual right to any compensation. Although the lease has not yet been terminated by the lessor, it has become apparent that the recoverable amount of the improvements and the right of use asset is now negligible.

The final deadline to submit an acceptable plan to Modon was October 1, 2025 and the Company submitted a plan on September 21, 2025 to bring its factories into service. By this time management had come to expect that Modon would not be amenable to a sale of the factories with an associated transfer of the land lease. Modon formally rejected the plan on October 6, 2025. The subsequent rejection of the plan provides further evidence of the acceptability of the submitted plan and consequently that any expected value in use at the reporting date would have been minimal. Given the fact that Modon would have to consent to the sale of the asset and management no longer believed on the reporting date that such consent would be forthcoming, the fair value less cost of disposal of the asset was also considered to be minimal. On this basis, the leasehold improvement and related right of use asset were fully impaired as of September 30, 2025.

At the reporting date, the lease had not been formally cancelled, so the right of use and associated improvements were not derecognized but rather impaired, while the related lease liability remained on the statement of financial position.

4 Consistent application of accounting policies

The accounting policies and methods used in the preparation of these condensed interim financial statements are consistent with those used in the preparation of the annual audited financial statements for the year ended December 31, 2024 and corresponding interim reporting period except for the new accounting policies introduced as adoption of the following amendments to IFRS which became applicable for annual reporting periods commencing on or after January 1, 2025. The management has assessed that the amendments have no significant impact on the Company's condensed interim financial statements.

HERFY FOOD SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025
(All amounts in Saudi Riyals unless otherwise stated)

4 Consistent application of accounting policies (continued)

New standards, interpretations and amendments adopted by the Company

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after January 1, 2025:

- Amendments to IAS 21 Lack of Exchangeability (Issued on August 15, 2023 and effective for annual periods beginning on or after January 1, 2025).

The standards and amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted by the Company

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for September 30, 2025 reporting periods and have not been early adopted by the Company.

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on May 30, 2024 and effective for annual periods beginning on or after January 1, 2026).
- IFRS 18 Presentation and Disclosure in Financial Statements (Issued on April 9, 2024 and effective for annual periods beginning on or after January 1, 2027).
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on May 9, 2024 and effective for annual periods beginning on or after January 1, 2027).

The management is in the process of assessing the impact of these standards, amendments or interpretations on future periods and on foreseeable future transactions.

5 Related party transactions and balances

Related parties represent shareholders, directors and key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management and are at arm's length. Outstanding balances at the period ended September 30, 2025, and the year ended December 31, 2024 are unsecured, interest free and settled in cash. For the period ended September 30, 2025, the Company has recorded impairment of receivables relating to amounts owed by related parties as described in note 10. This assessment is undertaken each financial reporting period by examining the financial position of the related party and the market in which the related party operates.

HERFY FOOD SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025
(All amounts in Saudi Riyals unless otherwise stated)

5 Related party transactions and balances (continued)

Significant transactions and balances with related parties other than those disclosed elsewhere in the condensed interim financial statements, are as follows:

Transactions during the nine-months period ended September 30 (Unaudited)

• *Transactions with the subsidiaries of the ultimate parent company*

Names of related parties	Nature of transactions	2025	2024
	Sales to PRC	13,957,740	11,699,625
	Rent charged by PRC to the Company on short-term lease	(1,839,162)	(1,566,868)
Panda Retail company (PRC)	Purchases from Afia International Company	(13,901,362)	(14,669,249)
Afia International Company	Purchases from United Sugar Factory	(1,775,282)	(3,154,957)
United Sugar Factory	Purchases from International Food Industries Company	(4,537,498)	(4,614,030)
International Food Industries Company			

• *Transactions with the entities owned by a major shareholder and close family members*

Names of related parties	Nature of transactions	2025	2024
	Rent charged by Bazbazah Int Company on short-term lease	(213,750)	(213,750)
	Rent charged to Bazbazah Int Company on short-term lease	180,000	185,375
Bazbazah Int Company	Sales to Taza Restaurant Company Limited	154,625	210,823
Taza Restaurant Company Limited	Rent charged to El Mazaq El Amsal Company	262,500	262,500
El Mazaq El Amsal Company	Rent charged to the Company on short-term leases	(1,312,500)	(1,312,500)
Qitaf Company	Lease payments during the period	-	800,000

• *Transactions with the shareholders*

Names of related parties	Nature of transactions	2025	2024
	Rent charged by the shareholder to the Company on short-term leases	-	(187,500)
Mr. Ahmed Al Saeed			

• *Transactions with the previous board member*

Names of related parties	Nature of transactions	2025	2024
	Rent charged by the previous board member to the Company on short-term leases	-	(187,500)
Mr. Khalid Al Saeed			

• *Transactions with the associate of the ultimate parent company*

Names of related parties	Nature of transactions	2025	2024
	Rent charged by Kinan Company on short-term leases	(91,167)	(75,014)
Kinan Company			

HERFY FOOD SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025
(All amounts in Saudi Riyals unless otherwise stated)

5 Related party transactions and balances (continued)

Transactions during the nine-month period ended September 30 (Unaudited) (continued)

• *Transactions with board member*

Names of related parties	Nature of transactions	2025	2024
Al Marai Company	Purchases from Al Marai Company	(3,140,178)	(2,043,692)

Balances for the period / year ended – Due from related parties

• *Balances with the subsidiaries of the ultimate parent company*

Names of related parties	Classification	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Panda Retail Company	Trade, other receivables, and prepayments	9,537,217	7,544,842

• *Balances with the entities owned by a major shareholder and close family members*

Names of related parties	Classification	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Taza Restaurant Company Limited	Trade, other receivables, and prepayments	29,325	68,210
Double Coffee Company	Trade, other receivables, and prepayments	33,042	33,042
Green Leave Company	Trade, other receivables, and prepayments	32,062	32,062
Meslan Investment Company	Trade, other receivables, and prepayments	31,671	31,671
El Mazaq El Amsal Company	Trade, other receivables, and prepayments	1,499,908	1,487,040
Bazbazah International Trading Company	Trade, other receivables, and prepayments	173,946	116,446
	Net investment in finance lease	-	75,886

• *Balances with the shareholders*

Names of related parties	Classification	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Mr. Ahmed Al Saeed	Trade, other receivables, and prepayments	310,824	310,824
General Organization for Social Insurance (GOSI)	Trade, other receivables, and prepayments	-	65,705

• *Balances with the previous board members*

Names of related parties	Classification	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Mr. Khalid Al Saeed	Trade, other receivables, and prepayments	202,521	202,521

HERFY FOOD SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025
(All amounts in Saudi Riyals unless otherwise stated)

5 Related party transactions and balances (continued)

Balances for the period / year ended – Due to related parties

- Balances with the subsidiaries of the ultimate parent company directly and indirectly*

Names of related parties	Classification	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Panda Retail company (PRC)	Lease liabilities – current	924,084	1,420,954
- directly	Lease liabilities – non-current	3,514,854	3,317,983
Afia International Company - indirectly	Trade and other payables	1,653,767	2,340,387
International Food Industrial Company - indirectly	Trade and other payables	616,860	442,980
United Sugar Factory - indirectly	Trade and other payables	148,985	266,206

- Balances with a shareholders*

Names of related parties	Classification	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
General Organization for Social Insurance (GOSI)	Lease liabilities – current	-	211,623
	Lease liabilities – non-current	-	907,158

- Balances with the entities owned by a major shareholder and close family members*

Names of related parties	Classification	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Bazbazah International Trading Company	Lease liabilities – current	367,227	726,938
	Lease liabilities – non-current	4,614,237	4,460,526
	Trade and other payables	-	393,000
	Lease liabilities – current	1,094,727	971,277
Qitaf Company	Lease liabilities – non-current	10,199,302	11,975,752

- Balances with board member*

Names of related parties	Classification	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Al Marai Company	Trade and other payables	336,725	789,318

- Balances with the associate of the ultimate parent company*

Names of related parties	Classification	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Kinan Company	Trade and other payables	74,862	-

Remunerations of the Company's key management personnel

The Board and Key Management personnel are the members of the Board of Directors, the Managing Director and senior executives with authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Their total remuneration:

For the Board of Directors of the Company for nine-month period ended September 30, 2025, amounted to SR 3.2 million (September 30, 2024: SR 3.4 million).

For the Company's key Management personnel nine -month period ended September 30, 2025 amounted to SR 3.8 million (September 30, 2024: SR 8.1 million).

This remuneration includes basic salaries, bonuses and other benefits in accordance with Company policy.

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6 Property, plant and equipment

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Net book value at the beginning of the period / year	761,348,456	831,436,142
Additions during the period / year	11,453,164	17,857,026
Disposals during the period / year	(2,198,465)	(1,774,219)
Transfer to investment properties (note 8)	(11,396,929)	(2,937,541)
Transfer from investment properties (note 8)	4,199	-
Depreciation for the period / year	(59,489,989)	(83,549,169)
(Provision)/reversal of impairment loss for the period / year (note 3.1)	(37,818,220)	316,217
Net book value at the end of the period / year	661,902,216	761,348,456

7 Right-of-use assets and lease liabilities

7.1 Right-of-use assets

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At the beginning of the period/year	501,185,681	549,162,923
Additions during the period/year	21,172,345	41,295,855
Disposal during the period / year	(4,156,372)	(5,772,712)
Depreciation for the period/year	(63,523,303)	(83,500,385)
Provision of impairment loss for the period / year	(514,335)	-
At the end of the period/year	454,164,016	501,185,681

7.2 Lease liabilities

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At the beginning of the period / year	522,165,162	562,661,056
Additions during the period / year	21,172,345	41,295,855
Disposal during the period / year	(5,145,789)	(6,848,250)
Finance cost for the period / year	23,954,315	34,693,200
Lease payment during the period / year	(90,340,994)	(109,636,699)
	471,805,039	522,165,162
Current portion	64,068,076	68,507,435
Non-current portion	407,736,963	453,657,727

8 Investment properties

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Net book value at the beginning of the period / year	151,796,197	153,629,044
Transfers from property plant and equipment for the period / year *	11,396,929	2,937,541
Transfers to property plant and equipment for the period / year *	(4,199)	-
Depreciation for the period / year	(3,596,220)	(4,770,388)
	159,592,707	151,796,197

- During 2024, A net amount of SR 2.9 million was reclassified from project under constructions under property, plant and equipment to investment properties due to the change in management intention. In 2025 an amount of SR 11 million was transferred from property, plant and equipment to investment properties due to the change in management intention.

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9 Inventories

		September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	Note		
Raw materials		51,242,840	47,482,991
Finished goods		20,902,141	23,207,400
Packing materials		17,053,053	16,195,574
Spare parts, not held for sale and to be consumed within one year		25,695,981	26,864,414
Operational supplies		21,618,186	26,433,917
		136,512,201	140,184,296
Less: provision for slow moving inventory	9.1	(17,319,784)	(17,319,784)
		119,192,417	122,864,512

9.1 Movement in provision for slow moving inventory is as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period / year	17,319,784	17,674,205
Write off during the period / year	-	(459,659)
Reversal during the period / year	-	105,238
Balance at the end of the period / year	17,319,784	17,319,784

10 Trade, other receivable and prepayments

		September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	Note		
Trade receivables – external parties		140,669,749	98,674,711
Less: provision for impairment losses on trade receivables from external parties	10.1	(31,581,192)	(29,809,530)
Trade receivables from external parties, net		109,088,557	68,865,181
Trade receivables – related parties	5	11,850,516	9,892,363
Less: provision for impairment losses on related parties	10.2	(713,149)	(578,058)
Trade receivables – related parties, net		11,137,367	9,314,305
Trade receivables, net		120,225,924	78,179,486
Prepayments		35,298,200	29,866,052
Advance for investment	10.3	-	-
Advances to suppliers		53,958,994	41,948,867
Other receivables		2,940,294	3,617,454
		212,423,412	153,611,859

10.1 Movement in allowance for impairments of trade receivables is as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period / year	29,809,530	17,352,093
Provided during the period / year	1,771,662	12,457,437
Balance at the end of the period / year	31,581,192	29,809,530

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10 Trade, other receivable and prepayments (continued)

10.2 Movement in provision for related parties provision is as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period / year	578,058	-
Provided during the period / year	135,091	578,058
Balance at the end of the period / year	<u>713,149</u>	<u>578,058</u>

10.3 Advance for investment

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Advance for investment	4,000,000	4,000,000
Less: Provision for impairment	<u>(4,000,000)</u>	<u>(4,000,000)</u>
	<u>-</u>	<u>-</u>

This represents amount paid to Khaled Al Saeed, a related party for the partnership agreement related to an investment in land units dated January 16, 2005 for the purpose of utilizing it as a warehouse. Based on the Board of Director's decision on July 14, 2014, an initial provision of SR 2 million was booked representing the estimated decline in the value of the investment. On the recommendation of Audit Committee on May 24, 2015 to implement the Board's decision in its meeting on July 14, 2014 that given the potential decline in the value of investment with increased probability of failure in recovery, the amount has been fully provided for.

11 Share capital

Share Capital

The Company's paid-up capital consists of 64.680 million shares as of September 30, 2025 (December 31, 2024: 64.680 million shares) of SR 10 each.

12 Trade and other payables

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Note		
Trade payable – related parties	5 2,831,199	4,231,891
Trade payable – third parties	122,900,362	105,153,935
Accrued expenses	73,980,807	59,169,196
Advance rental and rebate	10,166,703	3,322,421
Other payables	20,567,071	10,429,164
	<u>230,446,142</u>	<u>182,306,607</u>

13 Provision for zakat

The movement in the provision for zakat is as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period / year	10,397,041	2,379,467
Provided during the period / year	1,800,000	7,108,000
Adjustment for prior periods	-	7,837,616
Payment during the period / year	<u>(6,652,914)</u>	<u>(6,928,042)</u>
Balance at the end of the period / year	<u>5,544,127</u>	<u>10,397,041</u>

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13 Provision for zakat (continued)

Zakat return for the year ended December 31, 2024 has been filed and the invoice issued as per system of Zakat, Tax and Customs Authority ("ZATCA") was settled during the period ended September 30, 2025..

The Company has completed all zakat settlements for the period from 2014 to 2023. As of the end of the period ending on September 30, 2025, the Company has paid all zakat differences in full.

Currently, there are no assessments rendered by ZATCA for the years 2008 – 2013.

The Company has obtained a certificate from ZATCA valid until Dhu al-Qi'dah 13, 1447H corresponding to April 30, 2026.

14 Contingencies and commitments

14.1 Contingencies

The Company does not have any contingent liabilities as at September 30, 2025 and December 31, 2024.

14.2 Commitments

The capital expenditure committed by the Company but not incurred till September 30, 2025 amounts to SR. 7.7 million (December 31, 2024: SR 8.8 million).

14.3 Bank guarantees

The Company is liable for the bank guarantees issued on behalf of the Company amounting to SR 5.9 million as at September 30, 2025 (December 31, 2024: SR 9.6 million) and letters of credit issued on behalf of the Company amounting nil as at September 30, 2025 (December 31, 2024: SR 1.34 million) in the normal course of business.

15 Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	For the three-month period ended September 30, 2025 (Unaudited)	For the three-month period ended September 30, 2024 (Unaudited)	For the Nine-month period ended September 30, 2025 (Unaudited)	For the Nine-month period ended September 30, 2024 (Unaudited)
Net Loss for the period	(48,125,207)	(33,367,633)	(65,822,116)	(56,617,304)
Weighted average number of ordinary shares for the purpose of basic / diluted earnings	64,680,000	64,680,000	64,680,000	64,680,000
Earnings per share (SR)				
– Basic	(0.74)	(0.52)	(1.02)	(0.88)
– Diluted	(0.74)	(0.52)	(1.02)	(0.88)

Earnings per share for the period was calculated by dividing the net loss for the period with the weighted average number of ordinary shares.

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16 Segment information

The Company operates principally in the following major business segments:

- 1 Restaurants – providing catering services, operating of restaurants and renting out investment properties;
- 2 Meat factory - manufacturing and selling of meat products from the Meat Factory; and
- 3 Bakeries - manufacturing and selling of pastries and bakery products from the bakeries.

These operating segments are identified based on internal reports that the entity's Chief Executive Decision Maker regularly reviews in allocating resources to segments and assessing their performance 'management approach'. The management approach is based on the way in which management organizes the segments within the entity for making operating decisions and in assessing performance. The management of the Company at the end of every reporting period, review the above segments for quantitative threshold as well as criteria for presenting the revenues and expenses for the segments.

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16 Segment information (continued)

16.1 Selected financial information for the three-months and nine-months periods ended September 30, 2025, and September 30, 2024, summarized by the above business segments, was as follows: (in thousand Saudi Riyal)

For the Three-month period ended September 30 (Unaudited)

	Restaurants and catering		Meat factory		Bakeries and other		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Total segment revenue	208,797	215,362	47,338	51,716	36,943	42,889	293,078	309,967
Inter-segment revenue	-	-	(24,222)	(27,986)	(4,188)	(3,327)	(28,410)	(31,313)
Net revenue (external)	208,797	215,362	23,116	23,730	32,755	39,562	264,668	278,654
Net segment loss for the period	(55,679)	(39,877)	10,194	11,922	(2,640)	(5,413)	(48,125)	(33,368)

For the Nine-month period ended September 30 (Unaudited)

	Restaurants and catering		Meat factory		Bakeries and other		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Total segment revenue	647,830	674,125	147,085	150,117	114,251	136,311	909,166	960,553
Inter-segment revenue	-	-	(78,715)	(81,502)	(12,673)	(10,233)	(91,388)	(91,735)
Net revenue (external)	647,830	674,125	68,370	68,615	101,578	126,078	817,778	868,818
Net segment loss for the period	(90,478)	(90,747)	32,563	40,160	(7,907)	(6,030)	(65,822)	(56,617)

	Restaurants and catering		Meat factory		Bakeries and other		Total	
	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Total assets	1,306,681	1,381,002	87,858	92,720	242,827	243,898	1,637,366	1,717,620
Total liabilities	688,574	715,307	29,266	22,468	60,357	54,855	778,197	792,630

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17 Subsequent Events

In the opinion of management, there have been no significant subsequent events that may require adjustments or disclosures in the condensed interim financial statements. Except for the Modon lease issue disclosed in note 3.1.

18 Approval of the condensed interim Financial Statements

These condensed interim financial statements were approved and authorized for issue on November 2, 2025 by the Board of Directors of the Company.