HERFY FOOD SERVICES COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM FINANCIAL STATEMENTS
AND REVIEW REPORT
FOR THE THREE-MONTH AND SIX-MONTH PERIODS
ENDED JUNE 30, 2026

HERFY FOOD SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2026

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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 June 30, 2026 and the related condensed interim statement of comprehensive income for the three-month and six-month periods then ended, and the related condensed interim statements of changes in equity and cash flows for the six-month period then ended and other explanatory notes (the "condensed interim financial statements"). The 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 condensed 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. Alqahtani
License Number 614

August 6, 2026

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HERFY FOOD SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Note	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	6	**600,877,431**	647,961,651
Right-of-use assets	7	**422,425,604**	447,704,161
Net investments in finance lease		**3,733,850**	3,792,702
Intangible assets		**5,909,031**	7,063,602
Investment properties	8	**171,365,953**	158,234,164
Other non-current assets		**2,700,499**	2,537,483
Total non-current assets		**1,207,012,368**	1,267,293,763
Current assets			
Inventories	9	**117,339,520**	128,024,645
Trade, other receivables and prepayments	10	**178,623,069**	168,988,007
Net investments in finance lease – current portion		**350,669**	552,496
Cash and cash equivalents		**28,456,748**	13,296,219
Total current assets		**324,770,006**	310,861,367
TOTAL ASSETS		**1,531,782,374**	1,578,155,130
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11	**646,800,000**	646,800,000
Retained earnings		**201,479,027**	202,423,496
Total equity		**848,279,027**	849,223,496
LIABILITIES			
Non-current liabilities			
Lease liabilities	7	**360,188,342**	393,784,259
Employees' defined benefits liabilities		**65,746,454**	68,167,348
Total non-current liabilities		**425,934,796**	461,951,607
Current liabilities			
Lease liabilities	7	**60,216,864**	63,302,562
Trade and other payables	12	**191,409,897**	197,533,338
Zakat payable	14	**5,941,790**	6,144,127
Total current liabilities		**257,568,551**	266,980,027
TOTAL LIABILITIES		**683,503,347**	728,931,634
TOTAL EQUITY AND LIABILITIES		**1,531,782,374**	1,578,155,130

The accompanying notes 1 to 20 form part of these condensed interim financial statements.

The authorized member of the Board of Directors	Chief Executive Officer	Director of Finance

HERFY FOOD SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2026
(All amounts in Saudi Riyals unless otherwise stated)

		Three-month period ended June 30,		Six-month period ended June 30,	
	Note	**2026 (Unaudited)**	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Revenue	16	**265,455,388**	284,559,331	**515,595,532**	553,109,861
Cost of revenue		**(188,619,810)**	(208,125,582)	**(367,958,434)**	(415,278,336)
Gross profit		**76,835,578**	76,433,749	**147,637,098**	137,831,525
Selling and distribution expenses		**(50,115,270)**	(54,603,059)	**(99,715,543)**	(105,135,095)
General and administrative expenses		**(18,165,255)**	(16,291,841)	**(35,804,385)**	(33,652,188)
Provision of impairment loss on non- financial assets		**-**	-	**-**	(2,127,413)
Provision of impairment on financial assets		**-**	(207,615)	**(576,942)**	(1,906,753)
Other income, net		**2,607,683**	3,890,722	**3,653,737**	4,654,618
Operating profit / (loss)		**11,162,736**	9,221,956	**15,193,965**	(335,306)
Finance cost		**(7,499,342)**	(7,922,022)	**(15,088,434)**	(16,111,603)
Net profit / (loss) before zakat		**3,663,394**	1,299,934	**105,531**	(16,446,909)
Zakat	14	**(700,000)**	(400,000)	**(1,050,000)**	(1,250,000)
Net profit / (loss) for the period		**2,963,394**	899,934	**(944,469)**	(17,696,909)
Other comprehensive income for the period		**-**	-	**-**	-
Total comprehensive profit / (loss) for the period		**2,963,394**	899,934	**(944,469)**	(17,696,909)
Earnings per share (SR)	17				
Basic and diluted earnings per share attributable to the equity shareholders of the Company		**0.05**	0.01	**(0.01)**	(0.27)
Weighted average number of shares		**64,680,000**	64,680,000	**64,680,000**	64,680,000

The accompanying notes 1 to 20 form part of these condensed interim financial statements.

The authorized member of the Board of Directors

Chief Executive Officer

Director of Finance

HERFY FOOD SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026
(All amounts in Saudi Riyals unless otherwise stated)

For the Six-month period ended June 30, 2025	**Share capital**	**Retained earnings**	**Total equity**
Balance as at January 1, 2025 (Audited)	646,800,000	278,190,749	924,990,749
Net loss for the period	-	(17,696,909)	(17,696,909)
Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(17,696,909)	(17,696,909)
Balance as at June 30, 2025 (Unaudited)	646,800,000	260,493,840	907,293,840

For the Six-month period ended June 30, 2026	**Share capital**	**Retained earnings**	**Total equity**
Balance as at January 1, 2026 (Audited)	**646,800,000**	**202,423,496**	**849,223,496**
Net loss for the period	**-**	**(944,469)**	**(944,469)**
Other comprehensive income for the period	**-**	**-**	**-**
Total comprehensive loss for the period	**-**	**(944,469)**	**(944,469)**
Balance as at June 30, 2026 (Unaudited)	**646,800,000**	**201,479,027**	**848,279,027**

The accompanying notes 1 to 20 form part of these condensed interim financial statements.

The authorized member of the Board of Directors	Chief Executive Officer	Director of Finance

HERFY FOOD SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the Six-month period ended (Unaudited) June 30, 2026	June 30, 2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit/ (loss) before zakat		**105,531**	(16,446,909)
Adjustments for:			
Depreciation on property, plant and equipment	6	**35,010,819**	39,913,617
Depreciation on right-of-use assets	7	**42,154,800**	42,207,873
Depreciation on investment properties	8	**2,796,018**	2,341,588
Amortization of intangible assets		**1,309,021**	1,296,667
Provision of impairment loss on non-financial assets	6	**-**	2,127,413
Provision for financial assets	10	**576,942**	1,906,753
Provision for employees' defined benefits liabilities		**5,281,151**	4,858,788
(Gain)/ loss on disposal of property, plant and equipment		**(1,547,117)**	913,931
Interest income		**(71,820)**	(97,494)
Gain from termination of lease agreement		**(3,865)**	(716,135)
Finance cost		**15,088,434**	16,111,603
Movement in working capital			
Inventories		**10,685,125**	5,944,307
Trade, other receivables and prepayments		**(10,212,004)**	(40,100,839)
Trade and other payables		**(6,123,441)**	26,737,188
Cash generated from operating activities		**95,049,594**	86,998,351
Zakat paid	14	**(1,252,337)**	(6,652,914)
Employees' post-employment benefits paid		**(7,702,045)**	(9,392,271)
Net cash generated from operating activities		**86,095,212**	70,953,166
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets		**(154,450)**	(50,000)
Purchase of property, plant and equipment	6	**(4,353,458)**	(5,955,140)
Ancillary finance lease income received		**332,499**	452,501
Proceeds from the sale of property, plant and equipment		**2,046,169**	228,129
Other non-current assets		**(163,016)**	-
Net cash used in investing activities		**(2,292,256)**	(5,324,510)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings	13	**10,000,000**	-
Repayment of short-term borrowings	13	**(10,000,000)**	-
Principal elements of lease payments	7	**(53,553,993)**	(45,025,793)
Finance cost paid on lease liabilities	7	**(14,986,582)**	(16,111,603)
Finance cost paid on short-term borrowings		**(101,852)**	-
Net cash used in financing activities		**(68,642,427)**	(61,137,396)
Net change in cash and cash equivalents		**15,160,529**	4,491,260
Cash and cash equivalents at beginning of the period		**13,296,219**	9,622,497
Cash and cash equivalents at end of the period		**28,456,748**	14,113,757
Supplement information on non-cash items:			
Additions to right of use assets and lease obligation	7	**17,097,806**	6,866,081
Termination of right of use assets	7	**221,563**	2,274,385
Termination of lease obligation	7	**225,428**	2,990,520

The accompanying notes 1 to 20 form part of these condensed interim financial statements.

The authorized member of the Board of Directors	Chief Executive Officer	Director of Finance

(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 in the commercial register under No. 7000329776 (previously 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 leasing 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 16 Jamad -ul-Thani 1425H (2 August 2004) and in accordance with industrial license number 451110129343 formerly 249/S issued on 16 Safar 1422H (9 May 2001). The Meat Factory commenced production on October 20, 2005.

During 2012, the Company established a cake factory in Riyadh ("Cake Factory"), which operates under commercial registration number 1010294755 issued on 20 Shawwal 1431H (29 March 2010) and in accordance with industrial license number 1432100190941 issued on 22 December 2010 formerly 11583/T issued on 18 Shawwal 1431H (27 March 2010). The Cake Factory commenced production on June 2012.

As at June 30,2026, the total number of restaurants owned and leased by the Company were 41 owned and 327 leased respectively (December 31, 2025: 41 owned and 331 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 Ultimate Parent”) that owns 49% (2025: 49%) of the Company’s share capital.

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 & Pastries	1010294755	20/10/1431 H

Geopolitical conflict

During the period, an escalation of regional geopolitical tensions in the Middle East continued to evolve. Management is actively monitoring regional geopolitical developments and their potential impacts on consumer sentiment and supply chains. Although operations are primarily based in Saudi Arabia, the company continuously monitors supply sources and current challenges. Based on their assessment, management concludes that, as of the reporting date, there is no significant impact on the Company’s financial statements.

Business performance

Herfy Foods Services Company is one of Saudi Arabia’s leading quick service restaurant (QSR) brands.

During the second quarter of 2026, the company improved its Gross profit and operating profit and reduced its net losses despite softer revenues.

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 six-month periods ended June 30, 2026 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”).

2 Basis of preparation (continued)

2.1 Statement of compliance (continued)

The results for the three-month and six-month periods ended June 30, 2026 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2026. These condensed interim 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, 2025. IAS 34 states that the interim financial information is intended to provide an update on the latest complete set of annual financial statements. Hence, IAS 34 requires less disclosure in interim financial information than International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by SOCPA, require in annual financial statements. An interim period is considered as an integral part of the whole fiscal year, however, the results of operations for the interim periods may not be a fair indication of the results of the full year's operations.

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. The carrying amounts of the Company's financial assets and financial liabilities approximate their fair values due to their short-term maturities and, where applicable, frequent repricing.

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.

3 Significant accounting judgements, estimates, and assumptions

In preparing these condensed interim 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, 2025.

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, 2025 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, 2026. The management has assessed that the amendments have no significant impact on the Company's condensed interim financial statements.

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 June 30, 2026 reporting periods and have not been early adopted by the Company.

- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) Effective on or after January 1, 2027.

- Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21).

- IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after January 1, 2027).

- IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024 and effective for annual periods beginning on or after January 1, 2027).

Management has completed a preliminary assessment of the expected impact of IFRS 18, which is disclosed below. However, the Company is continuing to assess the impact of the remaining new standards and amendments, and does not currently expect them to have a material impact on its condensed interim financial statements.

4 Consistent application of accounting policies (continued)

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, issued by the International Accounting Standards Board on 9 April 2024 and endorsed in the Kingdom of Saudi Arabia by the Saudi Organization for Chartered and Professional Accountants (SOCPA), replaces IAS 1 and is effective for annual reporting periods beginning on or after 1 January 2027, applied retrospectively; the comparative information for 2026 will be restated on first application. The Company has not early adopted the standard and will apply it from its mandatory effective date.

IFRS 18 does not change the recognition or measurement of assets, liabilities, income or expenses, and its adoption is not expected to affect the Company's reported profit or loss, earnings per share, total equity or net movement in cash and cash equivalents. Its effects are limited to presentation and disclosure and are most significant for the statement of profit or loss. Based on the preliminary assessment performed to date, which remains in progress, the Company expects the following.

Classification and Presentation of the Statement of Profit or Loss

Income and expenses will be classified into the operating, investing and financing categories, in addition to the income taxes and discontinued operations categories, and two subtotals will be presented: operating profit or loss, and profit or loss before financing and income taxes. The Company already reports an operating profit subtotal, but its composition will change. Classification depends on whether the Company has a specified main business activity of investing in assets or of providing financing to customers: the Company has concluded that it does not have a specified main business activity of investing in assets and/or providing financing to customers. Based on the information currently available, the Company expects that changes to the current structure of the statement of profit or loss will arise as a result of the following:

- interest income on bank balances, rental income and finance income on subleases will be classified as investing;
- finance cost (interest on lease liabilities) will remain in financing, below operating profit;
- the interest cost on the Company's employee defined benefit obligations for end-of-service benefits will move to financing, while the related current service cost remains operating; and
- zakat will continue to be presented as a separate line item before the net result for the period.

The Company transacts principally in Saudi Riyals and in US Dollars, to which the Riyal is pegged, so its foreign currency exposure is limited; any foreign exchange differences will be classified in the same category as the items giving rise to them.

Management-defined performance measures

IFRS 18 requires entities to disclose information about Management-defined Performance Measures (MPMs), which are measures used in public communications outside the financial statements that reflect management's view of an aspect of the entity's financial performance.

These condensed interim financial statements present only the subtotals specified by IFRS Accounting Standards. The Company is reviewing whether any measures used in its public communications meet the definition of a management-defined performance measure; any such measures, with a reconciliation to the most directly comparable IFRS subtotal, will be disclosed in a single note when the standard is applied.

Aggregation and disaggregation

In accordance with IFRS 18, the Company is assessing the application of the principles of aggregation and disaggregation in preparing its primary financial statements. Items with similar characteristics would be aggregated, while items with dissimilar characteristics would be presented separately when material. The Company is assessing the grouping and labelling of line items, including replacing generic descriptions such as "Other" with more informative labels where appropriate, and providing additional disclosures in the notes when material.

Consequential amendments statement of cash flows

IFRS 18 introduces consequential amendments to IAS 7, requiring entities using the indirect method to reconcile cash flows from operating activities from operating profit or loss rather than profit or loss. It also removes certain accounting policy choices for the classification of interest and dividend cash flows. The Company is assessing the impact of these amendments on the presentation of its statement of cash flows. Based on the current assessment, the indirect-method starting point will change from net result before zakat to operating profit or loss, while the classification of interest paid as financing activities and interest received as investing activities is expected to remain unchanged.

(All amounts in Saudi Riyals unless otherwise stated)

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 June 30, 2026, and the year ended December 31, 2025 are unsecured, interest free and to be settled in cash. Trade receivables from related parties are non-interest bearing and are generally subject to credit terms ranging from 30 to 90 days. For the six-month period ended June 30, 2026, the Company has recorded impairment of receivables relating to amounts owed by related parties amounted to SR 314,611 as described in note 10 (December 31, 2025: SR 93,684). This assessment is undertaken each financial period by examining the financial position of the related party and the market in which the related party operates, also taking into account settlement history with the related party.

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

Transactions during the six-months period ended June 30 (Unaudited)

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

Names of related parties	**Nature of transactions**		**2026**	2025
Panda Retail Company (PRC)	Sales to PRC	Subsidiary of the ultimate parent company	**14,316,962**	10,882,127
	Rent charged by PRC to the Company on short-term lease		**(1,199,305)**	(1,236,132)
	Lease payments during the period		**(744,000)**	-
Afia International Company	Purchases from Afia International Company	Subsidiary of the ultimate parent company	**(6,319,520)**	(10,775,771)
United Sugar Factory	Purchases from United Sugar Factory	Subsidiary of the ultimate parent company	**(1,003,318)**	(1,397,789)
International Food Industries Company	Purchases from International Food Industries Company	Subsidiary of the ultimate parent company	**(4,038,759)**	(3,467,998)
Bayara Saudi Arabia Company	Purchases from Bayara Saudi Arabia Co,	Subsidiary of the ultimate parent company	**(119,140)**	-
Bazbazah Int Company	Rent charged by Bazbazah Int Company on short-term lease	Entity owned by a major shareholder and close family members	**(142,500)**	(142,500)
	Rent charged to Bazbazah Int Company on short-term lease		**120,000**	120,000
	Lease payments during the period		**-**	(205,000)
Taza Restaurant Company Limited	Sales to Taza Restaurant Company Limited	Entity owned by a major shareholder and close family members	**83,272**	108,786
El Mazaq El Amsal Company	Rent charged to El Mazaq El Amsal Company	Entity owned by a major shareholder and close family members	**175,000**	175,000
Qitaf Company	Rent charged to the Company on short-term leases	Entity owned by a major shareholder and close family members	**(875,000)**	(875,000)
	Lease payments during the period		**(850,000)**	(800,000)
Kinan Company	Rent charged by Kinan Company on short-term leases	Subsidiary of the ultimate parent company	**(64,962)**	(58,419)

(All amounts in Saudi Riyals unless otherwise stated)

5 Related party transactions and balances (continued)

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

Names of related party	Classification		June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Panda Retail company	Trade, other receivables, and prepayments	Subsidiary of the ultimate parent company	**10,013,801**	10,465,925
Taza Restaurant Company	Trade, other receivables, and prepayments	Entity owned by a major shareholder and close family members	**30,766**	31,177
Double Coffee Company	Trade, other receivables, and prepayments	Entity owned by a major shareholder and close family members	**33,042**	33,042
Green Leave Company	Trade, other receivables, and prepayments	Entity owned by a major shareholder and close family members	**32,062**	32,062
Meslan Investment Company	Trade, other receivables, and prepayments	Entity owned by a major shareholder and close family members	**31,671**	31,671
El Mazaq El Amsal Company	Trade, other receivables, and prepayments	Entity owned by a major shareholder and close family members	**1,499,908**	1,499,908
Bazbazah International Trading Company	Trade, other receivables, and prepayments	Entity owned by a major shareholder and close family members	**265,946**	173,946
Mr. Ahmed Al Saeed*	Trade, other receivables, and prepayments	Shareholder	**310,824**	310,824
Mr. Khalid Al Saeed*	Trade, other receivables, and prepayments	Previous board member	**202,521**	202,521

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Due from related parties (note 10)	**12,420,541**	12,781,076

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

Names of related party	Classification		June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
	Lease liabilities – current		**852,170**	1,100,998
Panda Retail company	Lease liabilities – non-current	Subsidiary of the ultimate parent company	**3,268,592**	3,337,940
Afia International Company – indirectly	Trade and other payables	Subsidiary of the ultimate parent company	**1,211,035**	1,777,518
United Sugar Factory – indirectly	Trade and other payables	Subsidiary of the ultimate parent company	**66,656**	299,412
International Food Industrial Company – indirectly	Trade and other payables	Subsidiary of the ultimate parent company	**1,467,451**	1,187,076
Kinan Company	Trade and other payables	Subsidiary of the ultimate parent company	**156**	156
Al Marai Company**	Trade and other payables	Common board member	**NA**	330,169
	Lease liabilities – current		**568,325**	434,996
Bazbazah International Trading Company	Lease liabilities – non-current	Entities owned by a major shareholder and close family members	**4,494,139**	4,547,468
	Lease liabilities – current		**1,057,121**	1,510,856
Qitaf Company	Lease liabilities – non-current	Entities owned by a major shareholder and close family members	**9,289,908**	9,686,174

(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 (continued)

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Due to related parties (note 12)	**2,745,298**	3,594,331
Lease liabilities	**19,530,255**	20,618,432
	22,275,553	24,212,763

* The transactions and balances against the entities with common directorship, common key management personnel or major shareholder (defined as 5% ownership or more) have been presented in accordance with the local laws and regulations.

** Al Marai Company was not a related party throughout the year ended December 31, 2025.

Remuneration of the Company's key management personnel in the Company

Key management personnel comprises the senior executives with authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Their total remuneration was as follows:

For the Board of Directors of the Company for six-month period ended June 30, 2026, amounted to SR 2.1 million (June 30, 2025: SR 2.2 million).

For the Company's key Management Personnel six-month period ended June 30, 2026 amounted to SR 2.4 million (June 30, 2025: SR 2.7 million).

	2026	2025
Provided during the period		
Short term employee benefit	**2,420,538**	2,676,024
Post employment benefits	**-**	-
Paid during the period	**(2,420,538)**	(2,676,024)

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

6 Property, plant and equipment

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Net book value at the beginning of the period / year	**647,961,651**	761,348,456
Additions during the period / year	**4,353,458**	14,002,223
Disposals during the period / year	**(499,052)**	(4,217,776)
Transfer to investment properties during the period / year	**(15,927,807)**	(11,396,929)
Transfer from investment properties during the period / year	**-**	4,199
Depreciation for the period / year	**(35,010,819)**	(77,261,503)
Impairment loss for the period / year	**-**	(34,517,019)
Net book value at the end of the period / year	**600,877,431**	647,961,651

7 Right-of-use assets and lease liabilities

7.1 Right-of-use assets

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
At the beginning of the period / year	**447,704,161**	501,185,681
Additions during the period / year	**17,097,806**	37,607,095
Termination during the period / year	**(221,563)**	(5,768,915)
Depreciation for the period / year	**(42,154,800)**	(84,805,365)
Impairment loss for the period / year	**-**	(514,335)
At the end of the period / year	**422,425,604**	447,704,161

(All amounts in Saudi Riyals unless otherwise stated)

7 Right-of-use assets and lease liabilities (continued)

7.2 Lease liabilities

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
At the beginning of the period / year	**457,086,821**	522,165,162
Additions during the period / year	**17,097,806**	37,607,095
Disposal during the year	**(225,428)**	(6,950,040)
Finance cost for the period / year	**14,986,582**	32,528,403
Lease payment during the period / year	**(68,540,575)**	(128,263,799)
	420,405,206	457,086,821
Current portion	**60,216,864**	63,302,562
Non-current portion	**360,188,342**	393,784,259

8 Investment properties

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Net book value at the beginning of the period / year	**158,234,164**	151,796,197
Transfers from property plant and equipment for the period / year *	**15,927,807**	11,396,929
Transfers to property plant and equipment for the period / year *	**-**	(4,199)
Depreciation for the period / year	**(2,796,018)**	(4,954,763)
Net book value at the end of the period / year	**171,365,953**	158,234,164

* During 2026, a net amount of SR 15.9 million (2025: SR 11.4 million) was reclassified from property, plant and equipment to investment properties due to the change in use.

9 Inventories

	Note	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)
Raw materials		**55,056,427**	59,819,756
Finished goods		**18,587,354**	22,001,026
Packing materials		**17,521,725**	16,338,496
Spare parts		**25,627,165**	25,217,365
Operational supplies		**17,866,633**	21,967,786
		134,659,304	145,344,429
Less: provision for slow moving inventory	9.1	**(17,319,784)**	(17,319,784)
		117,339,520	128,024,645

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

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at the beginning of the period / year	**17,319,784**	17,319,784
Provision during the period / year	**-**	-
Balance at the end of the period / year	**17,319,784**	17,319,784

(All amounts in Saudi Riyals unless otherwise stated)

10 Trade, other receivables and prepayments

	Note	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Trade receivables – external parties		**119,572,357**	120,246,895
Less: provision for expected credit losses on external parties	10.1	**(31,884,930)**	(31,622,599)
Trade receivables from external parties, net		**87,687,427**	88,624,296
Trade receivables – related parties	5	**12,420,541**	12,781,076
Less: provision for expected credit losses on related parties	10.2	**(986,353)**	(671,742)
Trade receivables – related parties		**11,434,188**	12,109,334
Trade receivables, net		**99,121,615**	100,733,630
Prepayments		**35,972,953**	32,172,980
Advance for investment	10.3	**-**	-
Advances to suppliers		**40,041,788**	33,466,986
Other receivable		**3,486,713**	2,614,411
		178,623,069	168,988,007

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

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at the beginning of the period / year	**31,622,599**	29,809,530
Provided during the period / year	**262,331**	1,813,069
Balance at the end of the period / year	**31,884,930**	31,622,599

10.2 Movement in allowance for impairment of related parties is as follows:

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at the beginning of the period / year	**671,742**	578,058
Provided during the period / year	**314,611**	93,684
Balance at the end of the period / year	**986,353**	671,742

10.3 Advance for investment

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Advance for investment	**4,000,000**	4,000,000
Less: Provision for impairment	**(4,000,000)**	(4,000,000)
	-	-

This represents an amount paid to Khaled Al Saeed, a related party for the partnership agreement related to an investment in land units dated 16 January 2005, for the purpose of utilizing it as a warehouse. Based on the Board of Director's decision on 14 July 2014, an initial provision of SR 2 million was booked representing the estimated decline in the value of the investment. Given the increased probability of non-recovery, a full provision was subsequently recognized against the balance. On the recommendation of Audit Committee on 24 May 2015 to implement the Board's decision in its meeting on 14 July 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

The Company's authorized and issued paid-up capital consists of 64.680 million shares as of June 30, 2026 (31 December 2025: 64.680 million shares) of SR 10 each.

(All amounts in Saudi Riyals unless otherwise stated)

12 Trade and other payables

	Note	**June 30, 2026 (Unaudited)**	December 31, 2025 (Audited)
Trade payable – related parties	5	**2,745,298**	3,594,331
Trade payable – third parties		**93,237,077**	103,282,663
Accrued expenses		**70,749,929**	75,427,540
Advance rental and rebates		**13,088,041**	4,752,971
VAT payable		**6,451,780**	3,915,321
Other payables		**5,137,772**	6,560,512
		191,409,897	197,533,338

Trade payables are unsecured and are usually settled within 90 days.

13 Short-term borrowings

During the six-month period ended June 30, 2026, the Company utilized a short-term financing facility from local bank amounting to SR 10 million, bearing interest at three months SAIBOR plus a fixed margin. As security for the facility and other banking arrangements, the Company issued a promissory note in favor of the bank. The outstanding principal balance together with all related accrued interest was fully repaid during the period; accordingly, no amounts were outstanding under the facility as at June 30, 2026 and no related borrowings were recognized in the condensed interim statement of financial position. As at June 30, 2026, the Company had unutilized borrowing facilities of SR 10 million available under its financing arrangements with the bank.

14 Provision for zakat

14.1 Zakat Base

	June 30, 2026 (Unaudited)	**December 31, 2025 (Audited)**
Additions		
Owner's Equity	**854,220,817**	855,367,623
Liabilities and the equivalents	**441,311,095**	483,110,859
Total Zakat Adjustments	**882,220**	3,130,781
Total additions	**1,296,414,132**	1,341,609,263
Non-current Assets	**1,204,311,869**	1,267,293,763
Current assets eligible for deduction	**25,627,165**	25,217,365
Total deductions	**1,229,939,034**	1,292,511,128
Zakat base	**66,475,098**	49,098,135

14.2 Zakat movement

	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at the beginning of the period / year	**6,144,127**	10,397,041
Provided during the period / year	**1,050,000**	2,400,000
Payment during the period / year	**(1,252,337)**	(6,652,914)
Balance at the end of the period / year	**5,941,790**	6,144,127

14.3 Status of assessments

Zakat return for the year ended December 31, 2025 has been filed and the invoice issued as per system of Zakat, Tax and Customs Authority (“ZATCA”) was settled during the period ended June 30, 2026.

The Company has completed all zakat settlements for the period from 2014 to 2023. As of the end of the period ended June 30, 2026, 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 23, 1448H corresponding to April 30, 2027.

(All amounts in Saudi Riyals unless otherwise stated)

15 Contingencies and commitments

15.1 Contingencies and bank guarantees

The Company is liable for the bank guarantees issued in the normal course of business amounting to SR 5.9 million as at June 30, 2026 (December 31, 2025: SR 5.9 million). There were no letters of credit outstanding as at June 30, 2026 (December 31, 2025: SR Nil). There are no other material contingent liabilities as at June 30, 2026 and December 31, 2025.

15.2 Commitments

The capital expenditure committed by the Company but not incurred till June 30, 2026, SR 11.2 million (December 31, 2025: SR 5.6 million).

16 Revenue

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Revenue from contracts with customers		
Sales to customers	**545,144,070**	590,762,019
Sales discounts	**(27,925,292)**	(36,207,103)
Sales rebates	**(7,917,787)**	(6,811,839)
Sales returns	**(6,497,423)**	(8,310,278)
	(42,340,502)	(51,329,220)
Total revenue from contracts with customers	**502,803,568**	539,432,799
Rental income	**12,791,964**	13,677,062
Total revenue	**515,595,532**	553,109,861

The Company derives revenue from the sale of goods, which is recognized at a specific point in time. Revenue from contracts with customers includes revenue from the sale of meals in restaurants, the sale of frozen products, and the sale of bakery and pastry items. Revenue is generated from both local and international markets.

Revenue from contracts with customers is recognized when control of the goods is transferred to the customer, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Revenue is recognized at the point in time when control of the asset is transferred to the customer, which generally occurs upon delivery of the products.

For restaurant meal sales, the time between receiving payment from customers and transferring control of the goods is typically insignificant. For sales of meat, bakery, and pastry products, receivables are recognized upon delivery of the goods to the customer, as this is the point in time when the consideration becomes unconditional, with only the passage of time required before payment is due.

The Company acts as principal. Rental revenue from lease contracts is recognized on a straight-line basis over the lease term. Revenue includes amounts earned from related parties; refer to note 5.

The geographical distribution of revenue is presented below:

	June 30, 2026 (Unaudited)	June 30, 2025 (Unaudited)
Central Region	**281,670,944**	301,829,670
Eastern Region	**76,418,812**	78,285,296
Western Region	**44,312,471**	47,776,531
Northern Region	**50,542,973**	56,151,980
Southern Region	**60,585,218**	65,294,893
Export	**2,065,114**	3,771,491
Total revenue	**515,595,532**	553,109,861

(All amounts in Saudi Riyals unless otherwise stated)

17 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 June 30, 2026 (Unaudited)	For the three-month period ended June 30, 2025 (Unaudited)	**For the six-month period ended June 30, 2026 (Unaudited)**	For the six-month period ended June 30, 2025 (Unaudited)
Net profit for the period	**2,963,394**	899,934	**(944,469)**	(17,696,909)
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 / (loss) per share (SR)				
- Basic	**0.05**	0.01	**(0.01)**	(0.27)
- Diluted	**0.05**	0.01	**(0.01)**	(0.27)

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

18 Segment information

The Company operates principally in the following major business segments:

1 Restaurants and catering – providing catering services, operating of restaurants and renting out investment properties and corporate costs;

2 Meat factory - manufacturing and selling meat products from the Meat Factory; and

3 Bakeries and others - manufacturing and selling of pastries and bakery products from the bakeries.

These operating segments are identified based on internal reports that the Company's Chief Executive Officer, who is the Chief Operating Decision Maker (CODM), regularly reviews in allocating resources to segments and assessing their performance. The CODM uses a measure of net segment loss to assess performance of the segments. The CODM also receives at the end of every reporting period information about the segment's assets and liabilities.

The CODM of the Company assesses performance and allocates resources on the basis of information that is prepared on the same measurement basis as these condensed interim financial statements.

There are no differences between the measures used by the CODM and the IFRS measures presented in these financial statements; therefore, separate segment reconciliations are not required.

18 Segment information (continued)

18.1 Selected financial information for the six-months periods ended June 30, 2026, and June 30, 2025, and the year ended December 31,2025 summarized by the above business segments, was as follows: (in thousand Saudi Riyal)

For the six-month period ended June 30 (Unaudited)	**Restaurants and catering**		**Meat factory**		**Bakeries and other**		**Total**	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
Total segment revenue	**391,331**	439,033	**89,135**	99,748	**83,405**	77,308	**563,871**	616,089
Inter-segment revenue	**-**	-	**(40,060)**	(54,494)	**(8,215)**	(8,485)	**(48,275)**	(62,979)
Net revenue	**391,331**	439,033	**49,075**	45,254	**75,190**	68,823	**515,596**	553,110
Gross profit	**91,950**	84,190	**32,965**	37,082	**22,722**	16,560	**147,637**	137,832
Provision of impairment loss on non-financial assets	**-**	(2,127)	**-**	-	**-**	-	**-**	(2,127)
Depreciation and amortization	**67,062**	70,778	**2,748**	3,076	**11,461**	11,906	**81,271**	85,760
Finance cost	**14,544**	15,643	**182**	47	**362**	422	**15,088**	16,112
Operating profit / (loss)	**(5,972)**	(17,906)	**19,140**	22,416	**2,026**	(4,845)	**15,194**	(335)
Net segment profit / (loss) for the period	**(21,566)**	(34,799)	**18,958**	22,369	**1,664**	(5,267)	**(944)**	(17,697)

	Restaurants and catering		**Meat factory**		**Bakeries and other**		**Total**	
	30 June 2026 (Unaudited)	31 December 2025 (Audited)	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Additions during the period / year to non-current assets	**(47,434)**	(67,269)	**(2,400)**	(2,039)	**(10,447)**	(9,383)	**(60,281)**	(78,691)
Total non-current assets as at	**1,038,239**	1,085,674	**33,073**	35,473	**135,700**	146,147	**1,207,012**	1,267,294
Total assets as at	**1,169,151**	1,230,924	**94,000**	105,328	**268,631**	241,903	**1,531,782**	1,578,155
Total liabilities as at	**592,259**	634,757	**34,642**	30,465	**56,602**	63,710	**683,503**	728,932

19 Subsequent events

Management assessed that there have been no significant subsequent events after June 30, 2026 up to the date of approval of these condensed interim financial statements that would require additional disclosure or adjustment in these condensed interim financial statements.

20 Approval of the Condensed Interim Financial Statements

These condensed interim financial statements were approved and authorized for issue on August 2, 2026 by the Board of Directors of the Company.