

**L'AZURDE COMPANY FOR JEWELRY AND ITS
SUBSIDIARIES**
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS AND INDEPENDENT AUDITOR'S
REVIEW REPORT**

**FOR THE THREE AND SIX-MONTH PERIODS
ENDED 30 JUNE 2025**

**L'AZURDE COMPANY FOR JEWELRY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2025**

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

**TO THE SHAREHOLDERS OF L'AZURDE COMPANY FOR JEWELRY AND ITS SUBSIDIARIES
A SAUDI JOINT STOCK COMPANY**

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INTRODUCTION

We have reviewed the accompanying interim condensed consolidated statement of financial position of L'azurde Company for Jewelry (the "Company") and its subsidiaries (together "the Group") as at 30 June 2025 and the related interim condensed consolidated statement of profit or loss and comprehensive income or loss for the three-month and six-month period then ended, and the interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended and a summary of material accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 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 condensed consolidated financial statements 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 consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

For PKF Al-Bassam
Chartered Accountants

Abdullah Albassam
Certified Public Accountant
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Corresponding to: 17 August 2025



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L'AZURDE COMPANY FOR JEWELRY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

		30 June 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
	Notes		
ASSETS			
Non-Current Assets			
Property and equipment		51,890,276	50,685,932
Right-of-use assets		29,961,981	37,508,165
Intangible assets		23,095,351	24,189,339
Goodwill		109,977,851	109,977,851
Other non-current assets		1,620,709	1,394,974
Total Non-Current Assets		216,546,168	223,756,261
Current Assets			
Inventories – Gold		948,306,775	988,608,991
Inventories – Others		196,273,004	181,047,207
Accounts receivable	5	49,092,986	30,708,006
Accounts and other receivables – Gold	6	551,694,364	308,641,750
Other current assets		23,895,585	27,352,414
Cash and cash equivalents		69,555,439	61,269,980
Total Current Assets		1,838,818,153	1,597,628,348
TOTAL ASSETS		2,055,364,321	1,821,384,609
EQUITY AND LIABILITIES			
Equity			
Share capital		575,000,000	575,000,000
Statutory reserve		27,807,194	27,807,194
Retained earnings		28,746,317	41,243,258
Foreign currency translation reserve		(362,507,363)	(364,725,814)
Total Equity		269,046,148	279,324,638
Liabilities			
Non-Current Liabilities			
Employees' end of service benefits		32,777,674	31,017,957
Lease liabilities		15,868,189	22,461,531
Deferred tax liability		820,800	804,967
Total Non-Current Liabilities		49,466,663	54,284,455
Current Liabilities			
Accounts payable - Gold	7	1,546,793,087	1,317,347,155
Accounts payable and other current liabilities		132,147,674	94,445,777
Current portion of lease liabilities		14,071,885	14,474,557
Due to related parties	11	786,014	834,459
Dividend payable		939,774	942,117
Short-term murabaha facilities	8	24,208,814	37,003,479
Zakat and income tax liability	9	17,904,262	22,727,972
Total Current Liabilities		1,736,851,510	1,487,775,516
Total Liabilities		1,786,318,173	1,542,059,971
TOTAL EQUITY AND LIABILITIES		2,055,364,321	1,821,384,609
Contingencies and commitments	13		

Signed by:

Ayman Gamil

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Ayman Gamil
Chief Financial Officer

Signed by:

Adnan Alkhalaf

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Adnan Alkhalaf
Chief Executive Officer

DocuSigned by:

Sabah Almoayyed

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Sabah Almoayyed
Authorized Board Member

The annexed notes from 1 – 17 form an integral part of these Interim Condensed Consolidated Financial Statements

L'AZURDE COMPANY FOR JEWELRY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(Un-audited)

	Notes	Three-month period ended		Six-month period ended	
		30 June 2025	30 June 2024 Restated Note 16	30 June 2025	30 June 2024 Restated Note 16
		<u>ﷲ</u>	<u>ﷲ</u>	<u>ﷲ</u>	<u>ﷲ</u>
REVENUE					
Gold		541,906,890	404,712,402	1,102,628,628	793,424,621
Operations		117,713,010	106,825,253	278,239,226	249,812,433
		<u>659,619,900</u>	<u>511,537,655</u>	<u>1,380,867,854</u>	<u>1,043,237,054</u>
COST OF REVENUE					
Gold		(562,882,005)	(417,053,829)	(1,148,758,184)	(817,059,390)
Operations		<u>(45,028,832)</u>	<u>(40,997,728)</u>	<u>(108,761,936)</u>	<u>(92,839,387)</u>
Gross loss from Gold		(20,975,115)	(12,341,427)	(46,129,556)	(23,634,769)
Gross profit from Operations		<u>72,684,178</u>	<u>65,827,525</u>	<u>169,477,290</u>	<u>156,973,046</u>
GROSS PROFIT		<u>51,709,063</u>	<u>53,486,098</u>	<u>123,347,734</u>	<u>133,338,277</u>
OPERATING EXPENSES					
Selling and marketing expenses		(26,569,254)	(27,633,044)	(56,943,139)	(59,921,099)
General and administrative expenses		(10,839,804)	(11,281,259)	(21,968,291)	(24,345,463)
Provision for expected credit losses		(16,600,769)	(3,536,276)	(23,876,032)	(6,979,322)
Gain on forward contract arranged for expected credit losses		-	2,787,374	-	2,787,374
Gain on fair valuation of gold inventories		<u>637,126</u>	<u>700,136</u>	<u>3,514,626</u>	<u>1,716,967</u>
OPERATING (LOSS) / PROFIT		<u>(1,663,638)</u>	<u>14,523,029</u>	<u>24,074,898</u>	<u>46,596,734</u>
OTHER (EXPENSES) / INCOME					
Other income / (expenses) – net		(10,414,467)	43,208	(11,675,390)	10,584,148
Finance costs – net		<u>(12,273,437)</u>	<u>(9,875,484)</u>	<u>(24,022,037)</u>	<u>(18,362,247)</u>
(LOSS) / PROFIT BEFORE ZAKAT AND INCOME TAX		<u>(24,351,542)</u>	<u>4,690,753</u>	<u>(11,622,529)</u>	<u>38,818,635</u>
Zakat and Income Tax	9	(1,492,723)	(671,123)	(874,412)	(6,815,671)
NET (LOSS) / PROFIT FOR THE PERIOD		<u>(25,844,265)</u>	<u>4,019,630</u>	<u>(12,496,941)</u>	<u>32,002,964</u>
NET (LOSS) / PROFIT FOR THE PERIOD ATTRIBUTABLE TO:					
Equity holders of the Parent Company		<u>(25,844,265)</u>	<u>4,019,630</u>	<u>(12,496,941)</u>	<u>32,002,964</u>
(LOSS) / EARNINGS PER SHARE:					
Basic and diluted	10	<u>(0.45)</u>	<u>0.07</u>	<u>(0.22)</u>	<u>0.56</u>

Signed by:

Ayman Gamil

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Chief Financial Officer

Signed by:

Adnan Alkhalaf

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Chief Executive Officer

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Sabah Almoayyed

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Sabah Almoayyed
Authorized Board Member

The annexed notes from 1 – 17 form an integral part of these Interim Condensed Consolidated Financial Statements

L'AZURDE COMPANY FOR JEWELRY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF
 COMPREHENSIVE INCOME / (LOSS)
 FOR THE THREE AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
 (Un-audited)**

	<u>Three-month period ended</u>		<u>Six-month period ended</u>	
	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	<u>ﷲ</u>	<u>ﷲ</u>	<u>ﷲ</u>	<u>ﷲ</u>
NET (LOSS) / PROFIT FOR THE PERIOD	(25,844,265)	4,019,630	(12,496,941)	32,002,964
OTHER COMPREHENSIVE INCOME / (LOSS)				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	1,570,283	(1,509,687)	2,218,451	(69,327,685)
Cash flow hedge – Effective portion of change in fair value	-	4,546,298	-	4,546,298
Other comprehensive income / (loss) for the period – net of tax	1,570,283	3,036,611	2,218,451	(64,781,387)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(24,273,982)	7,056,241	(10,278,490)	(32,778,423)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD ATTRIBUTABLE TO:				
Equity holders of the Parent Company	(24,273,982)	7,056,241	(10,278,490)	(32,778,423)

Signed by:

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L'AZURDE COMPANY FOR JEWELRY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

	Share Capital ﷲ	Statutory Reserve ﷲ	Retained Earnings ﷲ	Foreign Currency Translation Reserve ﷲ	Cash Flow Hedge Reserve ﷲ	Total ﷲ
SIX-MONTH PERIOD ENDED 30 JUNE 2025						
Balance at 31 December 2024 (Audited)	575,000,000	32,060,606	36,989,846	(364,725,814)	-	279,324,638
Reclassification (Note 16.2)	-	(4,253,412)	4,253,412	-	-	-
Balance at 1 January 2025	575,000,000	27,807,194	41,243,258	(364,725,814)	-	279,324,638
Net loss for the period	-	-	(12,496,941)	-	-	(12,496,941)
Other comprehensive income for the period	-	-	-	2,218,451	-	2,218,451
Total comprehensive loss for the period	-	-	(12,496,941)	2,218,451	-	(10,278,490)
Balance at 30 June 2025 (Unaudited)	575,000,000	27,807,194	28,746,317	(362,507,363)	-	269,046,148

SIX-MONTH PERIOD ENDED 30 JUNE 2024

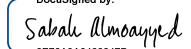
Balance at 31 December 2023 (Audited)	575,000,000	30,890,573	43,337,629	(288,756,358)	-	360,471,844
Reclassification (Note 16.2)	-	(3,083,379)	3,083,379	-	-	-
Balance at 1 January 2024	575,000,000	27,807,194	46,421,008	(288,756,358)	-	360,471,844
Net profit for the period	-	-	32,002,964	-	-	32,002,964
Other comprehensive loss for the period	-	-	-	(69,327,685)	4,546,298	(64,781,387)
Total comprehensive loss for the period	-	-	32,002,964	(69,327,685)	4,546,298	(32,778,423)
Dividends	-	-	(17,250,000)	-	-	(17,250,000)
Balance at 30 June 2024 (Unaudited)	575,000,000	27,807,194	61,173,972	(358,084,043)	4,546,298	310,443,421

Signed by:

 Ayman Gamil
 Chief Financial Officer

Signed by:

 Adnan Alkhalaf
 Chief Executive Officer

DocuSigned by:

 Sabah Almoayyed
 Authorized Board Member

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L'AZURDE COMPANY FOR JEWELRY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (Un-audited)

	Notes	30 June 2025 ﷲ	30 June 2024 ﷲ
OPERATING ACTIVITIES			
(Loss) / profit before zakat and tax		(11,622,529)	38,818,635
Adjustments to reconcile profit before zakat and tax to net cash from operating activities:			
Depreciation of property and equipment		4,595,689	4,451,744
Depreciation of right-of-use assets		7,966,810	9,215,548
Amortization of intangible assets		1,641,594	1,541,917
Provision for employees' end of service benefits		1,574,385	1,629,597
Provision for expected credit losses	5 & 6	23,876,032	6,979,322
Finance costs – net		24,022,037	18,362,247
Gain on sale of property and equipment		(112,812)	(181,088)
Melting costs and charge for slow moving inventory		1,562,416	1,618,310
Gain on fair valuation of gold inventories		(3,514,626)	(1,716,967)
Foreign currency exchange differences – net		760,844	(17,315,239)
Operating cashflow before changes in working capital		50,749,840	63,404,026
Net changes in working capital:			
Inventories – Gold		40,302,216	11,416,726
Inventories – Others		(1,875,876)	(11,647,857)
Accounts receivable		(25,942,455)	(30,703,932)
Accounts and other receivables – Gold		(262,167,703)	(123,505,768)
Other current assets		2,051,402	6,344,717
Gold margin		-	69,404,945
Accounts payable – Gold		229,445,932	42,684,097
Accounts payable and other current liabilities		35,664,634	11,909,730
Cash generated from operating activities		68,227,990	39,306,684
Employees' end of service benefits paid		(609,875)	(2,077,760)
Finance costs paid – Accounts payable – Gold		(16,736,061)	(13,008,254)
Income taxes paid		(2,476,867)	(4,502,461)
Zakat paid		(3,448,287)	(7,050,477)
Net cash generated from operating activities		44,956,900	12,667,732
INVESTING ACTIVITIES			
Purchase of property and equipment		(5,547,476)	(6,766,614)
Proceeds from sale of property and equipment		143,250	411,845
Purchase of intangible assets		(524,602)	(1,654,699)
Other non-current assets		(225,735)	287,152
Net cash used in investing activities		(6,154,563)	(7,722,316)
FINANCING ACTIVITIES			
Short term murabaha facilities		(13,000,000)	39,000,000
Repayments of lease liabilities		(9,122,645)	(10,444,079)
Dividends paid		-	(17,250,000)
Finance costs paid – cash facilities		(1,373,486)	(723,242)
Net cash (used in) / generated from financing activities		(23,496,131)	10,582,679
Net change in cash and cash equivalents		15,306,206	15,528,095
Cash and cash equivalents at beginning of the period		61,269,980	47,767,378
Foreign currency exchange differences on cash and cash equivalents		(7,020,747)	(18,265,311)
Cash and cash equivalents at end of the period		69,555,439	45,030,162
Non-cash transactions:			
Increase in lease liabilities and right of use assets		3,816,954	8,101,482
Accounts receivable write off	5	17,538	293,274
Accounts and other receivables – Gold write off	6	99,936	248,572
Lease termination – Right of use asset		3,622,013	-
Lease termination – Lease liabilities		3,622,013	-

Signed by:

 Ayman Gamil
 Chief Financial Officer

Signed by:

 Adnan Alkhalaf
 Chief Executive Officer

DocuSigned by:

 Sabah Almoayyed
 Authorized Board Member

L'AZURDE COMPANY FOR JEWELRY AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (Un-audited)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

L'azurde Company for Jewelry (the "Company", "Parent Company") is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010221531 dated 26 Jumad Thani 1427H (corresponding to 22 July 2006) and unified number 7001499511. The Company's Head Office is in Second Industrial Area, P.O. Box 41270, Riyadh 11521, Kingdom of Saudi Arabia.

The Company and its subsidiaries (together referred to as the "Group") are engaged in the production, manufacturing, forming and forging golden wares, jewelry, precious stones and golden alloys in accordance with the ministerial resolution number 1354/S dated 15 Rabi Thani 1429H corresponding to 21 April 2008. The Group's other permissible activities include the distribution of glasses, watches, accessories, pens, perfumes, leather products and the export of gold wares, alloys and silver.

The Group carries out its activities through various branches in the Kingdom of Saudi Arabia and Kuwait and through subsidiaries in the Kingdom of Saudi Arabia, the United Arab Emirates, the Arab Republic of Egypt, the State of Qatar and the Sultanate of Oman. All these branches and subsidiaries are engaged in the manufacturing and/or trading of jewelry, gold and silver products.

The Parent Company directly or indirectly owns 100% as at 30 June 2025 (31 December 2024: 100%) share capital in each subsidiary except L'azurde Company for Jewellery LLC ("LCJ Qatar") in the State of Qatar. The direct ownership of the Parent Company in LCJ Qatar is 49%, however, based on the agreement with the nominee shareholder of LCJ Qatar, the Parent Company is entitled to 98% of the economic benefits of LCJ Qatar.

The Group carries out its activities through the following subsidiaries as set out below:

- a) **ORO Egypt for Manufacturing Precious Metals ("ORO")**
ORO is a Joint Stock Company incorporated in the Arab Republic of Egypt under Commercial Registration no. 7877 dated 27 January 2003. The principal activities of ORO are gold jewelry manufacturing and trading.
- b) **L'azurde Egypt for Jewellery LLC ("LJ Egypt")**
LJ Egypt is a Limited Liability Company incorporated in the Arab Republic of Egypt under Commercial Registration no. 14997 dated 08 June 2005. The principal activities of LJ Egypt are gold jewelry manufacturing and trading.
- c) **L'azurde Company for Jewellery LLC ("LCJ Dubai")**
LCJ Dubai is a Limited Liability Company incorporated in the United Arab Emirates (Dubai) under Commercial Registration no. 620369 dated 23 December 2008. The principal activity of LCJ Dubai is trading of gold jewelry items.
- d) **L'azurde Jewellery LLC ("LJ Abu Dhabi")**
LJ Abu Dhabi is a Limited Liability Company incorporated in the United Arab Emirates (Abu Dhabi) under Commercial Registration no. 1060233 dated 1 June 2004. The principal activity of LJ Abu Dhabi is trading of gold jewelry items.
- e) **L'azurde Company for Jewellery LLC ("LCJ Qatar")**
LCJ Qatar is a Limited Liability Company incorporated in the State of Qatar under Commercial Registration no. 60716 dated 21 May 2013. The principal activity of LCJ Qatar is trading of gold jewelry items.
- f) **Almujwharat Almasiah LLC ("AA") – (Under liquidation)**
AA is a Limited Liability Company incorporated in the Kingdom of Saudi Arabia under Commercial Registration number 1010236734 dated 25 Rajab 1428H (corresponding to 8 August 2007). The principal activities of AA are trading of gold and silver products and precious stones.

L'AZURDE COMPANY FOR JEWELRY AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (Un-audited)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES (continued)

g) Kenaz LLC ("Kenaz")

Kenaz is a Limited Liability Company incorporated in the Kingdom of Saudi Arabia under Commercial Registration no. 1010352574 dated 21 Dhul Qadah 1433H (corresponding to 6 October 2012). The principal activities of Kenaz are trading of gold and silver products and precious stones.

h) L'azurde Jewellery LLC ("LJ Oman")

LJ Oman is a Limited Liability Company registered in the Sultanate of Oman under Commercial Registration no. 1320525 dated 30 May 2018. The principal activity of LJ Oman is manufacturing, and trading of jewelry made from precious metals or stones.

i) Izdiad Commercial Company of Arabia ("Izdiad")

Izdiad is a Limited Liability Company registered in the Kingdom of Saudi Arabia under Commercial Registration number 1010458294 dated 25 Dhul Hijjah 1439 (corresponding to 5 June 2018). The principal activity of Izdiad is the trading of jewelry, perfume, men and women accessories, leather products and managing franchises and trademarks.

2. STATEMENT OF COMPLIANCE

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as endorsed in Kingdom of Saudi Arabia by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and other standards and pronouncements issued by SOCPA.

The interim condensed consolidated financial statements should be read in conjunction with the Group's annual audited consolidated financial statements as at and for the year ended 31 December 2024. They do not include all the information required for a complete set of IFRS financial statements; however, accounting policies and selected explanatory notes are included to explain events and transactions that are significant to obtain understanding of the changes in the Group's financial position and performance since 31 December 2024. In addition, the results of operations for the period ended 30 June 2025 do not necessarily represent an indicator for the results of the operations for the year ending 31 December 2025.

3. BASIS OF PREPARATION

Basis of measurement

These interim condensed consolidated financial statements have been prepared under historical cost basis except for certain financial assets and financial liabilities which are measured at fair value.

Functional and Presentation Currency

The interim condensed consolidated financial statements are presented in Saudi Riyal (ﷻ), which is also the functional and presentational currency of the Parent Company. All amounts have been rounded-off to the nearest Saudi Riyal unless otherwise stated.

Use of Estimates and Judgments

The preparation of interim condensed consolidated financial statements in accordance with IFRSs applicable in the Kingdom of Saudi Arabia requires the use of certain critical estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainties were the same as those disclosed in the annual consolidated financial statements for the year ended 31 December 2024.

New amended standards and interpretations

There are no new standards issued; however, there are a few amendments to applicable accounting standards which were effective from 1 January 2025 and explained in Group consolidated financial statements for the year ended 31 December 2024. The Group's management believes that the new standards or amendments effective from 1 January 2025 do not have a material effect on the Group's interim condensed consolidated financial statements.

L'AZURDE COMPANY FOR JEWELRY AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (Un-audited)

4. MATERIAL ACCOUNTING POLICIES

The accounting policies applied by the Group in these interim condensed consolidated financial statements for the period ended 30 June 2025 are consistent with those applied by the Group in its consolidated financial statements for the year ended 31 December 2024, except for the accounting policies below:

Revenue from consignment sales arrangements

Revenue from consignment sales is recognized on a gross basis, without netting the consignee's margin, when control of the goods is transferred to the end customer. The Group retains the significant risks and rewards of ownership until the final sale and considers the consignee to be acting as an agent.

Gold calibration expense

Gold calibration expense results from difference in gold quality in the gold collected from wholesale customers at the time of settlement of their gold denominated accounts receivable balances. Gold having low quality is accepted to avoid long collection delays, gold price fluctuation impact, and to improve working capital management. The company considers these expenses as variable consideration, recognized at the point of revenue recognition of the sale that results in the gold receivable, and they are deducted directly from revenue. The Group creates an expected allowance for the gold calibration cost based on sales and adjusts it at later dates, based on actual results.

5. ACCOUNTS RECEIVABLE

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Accounts receivable – Gross	55,071,590	35,539,333
Provision for expected credit losses	(5,978,604)	(4,831,327)
Accounts receivable – net	49,092,986	30,708,006

Accounts receivable represent the value of the labor service charges and other additions, of the jewelry sold to Group's wholesale customers but not settled by the end of the reporting period.

Movement in the provision for expected credit losses is as follows:

At beginning of the period / year	4,831,327	13,216,432
Charge / (reversal) for the period / year	1,161,080	(4,289,959)
Write off during the period / year	(17,538)	(1,798,132)
Foreign exchange differences	3,735	(2,297,014)
At the end of the period / year	5,978,604	4,831,327

6. ACCOUNTS AND OTHER RECEIVABLES – GOLD

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Accounts and other receivables – Gold – Gross	609,931,849	343,895,380
Provision for expected credit losses	(58,237,485)	(35,253,630)
Accounts and other receivables – Gold – Net	551,694,364	308,641,750

Accounts and other receivables – Gold represent the fair value of the gold sold to Group's wholesale customers but not settled by the end of the reporting period.

Movement in the provision for expected credit losses is as follows:

At beginning of the period / year	35,253,630	17,263,805
Charge for the period / year	22,714,952	12,947,414
Write off during the period / year	(99,936)	(244,843)
Foreign exchange differences	368,839	5,287,254
At the end of the period / year	58,237,485	35,253,630

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7. ACCOUNTS PAYABLE FOR GOLD

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Accounts payable for gold	1,546,793,087	1,317,347,155

The Group procures its entire needs of gold for production exclusively from various banks under annual agreements covering gold purchases with agreed payment terms ranging from 1 to 6 months (2024: 1 to 3 months) and agreed profit rates. The settlement of the gold procured at the maturity dates is always made in gold and not in cash, while the profit margin is always settled in cash.

8. SHORT-TERM MURABAHA FACILITIES

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	ﷲ	ﷲ
Short term murabaha facilities	24,208,814	37,003,479

The Group has obtained Islamic Tawaruq cash facilities from various banks solely to finance working capital requirements, with agreed profit rates and maturity periods ranging from 1 to 3 months (2024: 1 to 2 months).

9. ZAKAT AND INCOME TAX

Zakat for the period

Zakat reversal for the Group for the six-month period ended 30 June 2025 amounted to ﷲ 3.0 million (six-month period ended 30 June 2024: charge of ﷲ 1.0 million) due to closure of 2019 and 2023 assessments without any additional liability on the Company.

Status of zakat assessments

The Company has filed the zakat returns for all the years up to 2024 and obtained respective zakat certificates.

The zakat assessments for the years 2015-2019 and for the years 2021-2023 have been finalized by ZATCA without any additional liability on the Company.

Income tax for the period

Income tax provision for the Group for the six-month period ended 30 June 2025 amounted to ﷲ 3.9 million (six-month period ended 30 June 2024: ﷲ 5.8 million).

Status of income tax assessments related to major foreign subsidiaries

ORO, registered in Arab Republic of Egypt, was exempt from Corporate Income Tax until 31 December 2014 according to the Egyptian Law number 8 of the year 1997. ORO received tax assessments and settled its tax liabilities on non-exempt activities till the year 2014. ORO paid all taxes due on its activities to date.

LJ Egypt, registered in Arab Republic of Egypt, was exempt from income tax on its commercial and manufacturing operations for a period of 10 years ended 31 December 2018. LJ Egypt paid all taxes due on its activities to date.

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10. (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED

	Six-month period ended	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Net (loss) / profit for the period attributable to equity holders of the parent (in ﷲ)	(12,496,941)	32,002,964
Weighted average number of ordinary shares during the period	57,500,000	57,500,000
Basic and diluted (loss) / earnings per share (in ﷲ)	(0.22)	0.56

There is no dilution effect on the basic earnings per share of the Group as the Group has no convertible dilutive potential ordinary shares outstanding on 30 June 2025 (30 June 2024: nil).

11. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties of the Group include shareholders, the Board of Directors, key management personnel and entities of which they are principal owners.

The terms of the transactions with related parties are approved by the Group's management. Transactions with related parties are entered in the normal course of the Group's business. These balances are expected to be settled in the normal course of business. Pricing policies and terms of these transactions are at arm's length.

Transactions with related parties during the period and the balances at end of the period / year are as follows:

Nature of transactions		Amount of transactions		Balances	
		30 June 2025 (Unaudited) ﷲ	30 June 2024 (Unaudited) ﷲ	30 June 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
<u>Due to related parties:</u>					
Board of Directors	Remuneration	1,576,083	1,216,329	786,014	834,459
Key management personnel	Remuneration	3,840,548	3,807,034	-	-
Director	Consultancy	-	24,144	-	-
		5,416,631	5,047,507	786,014	834,459

12. FINANCIAL INSTRUMENTS

Fair value measurements of financial instruments

Assets and liabilities measured at fair value in the interim condensed consolidated statement of financial position are grouped into three levels of fair value hierarchies. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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13. CONTINGENCIES AND COMMITMENTS

Contingencies:

The Group provided letters of guarantee amounting to ﷲ 6.1 million as at 30 June 2025 (31 December 2024: ﷲ 6.1 million) in relation to its operations.

The Group has provided a standby letter of credit to a bank amounting to ﷲ 469.7 million (31 December 2024: ﷲ 469.7 million) as security against procured gold.

The Group has a contingent receivable from insurance company amounting to ﷲ 16.1 million (31 December 2024: nil) for salesmen misappropriation losses. The company has sufficient insurance coverage for such incidents and has submitted the necessary claims and supporting documents to the insurance company in order to demand compensation for this loss. The management believes that insurance coverage is sufficient to cover this loss. The proceeds of the insurance claims will be recorded in the income statement upon recovery in the future.

Commitments:

The Group has commitments of ﷲ 0.8 million in respect of capital expenditure mainly relating to construction of retail branches as at 30 June 2025 (31 December 2024: ﷲ 2.3 million).

14. SUBSEQUENT EVENTS

There are no significant subsequent events since the period-end that require additional disclosure in these interim condensed consolidated financial statements.

15. SEGMENTAL INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers of the Group. The chief operating decision makers, who are responsible for allocating resources and assessing the performance of the operating segments, have been identified as the Executive Management and the Board of Director, who do not consider gold revenue which mainly pertains to wholesale channel in Arab Republic of Egypt, when assessing the performance of segments as the operations revenue better represents revenues of the Group. For management purposes, the Group is organized in the following operating segments:

	Wholesale ﷲ	Retail ﷲ	Total ﷲ
<u>Six-months ended 30 June 2025 (Unaudited)</u>			
Revenues – Operations	134,842,357	143,396,869	278,239,226
Gross profit – Operations	97,902,501	71,574,789	169,477,290
<u>Three-months ended 30 June 2025 (Unaudited)</u>			
Revenues – Operations	57,341,652	60,371,358	117,713,010
Gross profit – Operations	41,938,587	30,745,591	72,684,178
<u>As at 30 June 2025 (Unaudited)</u>			
Net book value of property and equipment	32,260,105	19,630,171	51,890,276
Total assets	1,720,768,328	334,595,993	2,055,364,321
Total liabilities	(1,699,756,938)	(86,561,235)	(1,786,318,173)

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15. SEGMENTAL INFORMATION (continued)

	Wholesale ﷼	Retail ﷼	Total ﷼
<u>Six-months ended 30 June 2024 (Unaudited)</u>			
Revenues – Operations	127,194,651	122,617,782	249,812,433
Gross profit – Operations	87,459,076	69,513,970	156,973,046
<u>Three-months ended 30 June 2024 (Unaudited)</u>			
Revenues – Operations	51,973,300	54,851,953	106,825,253
Gross profit – Operations	35,019,655	30,807,870	65,827,525
<u>As at 31 December 2024 (Audited)</u>			
Net book value of property and equipment	33,694,728	16,991,204	50,685,932
Total assets	1,512,153,238	309,231,371	1,821,384,609
Total liabilities	(1,489,004,220)	(53,055,751)	(1,542,059,971)

Geographical information

The Group operates in geographical segments namely, Saudi Arabia and other Gulf countries and Arab Republic of Egypt. The following table sets out the Group's revenue from operations disaggregated by geographical market by location:

	For the six-month period ended	
	30 June 2025 (Unaudited) ﷼	30 June 2024 (Unaudited) ﷼
Kingdom of Saudi Arabia	142,493,707	130,945,361
Arab Republic of Egypt	133,256,095	117,651,817
Other Gulf countries	2,489,424	1,215,255
	278,239,226	249,812,433

16. RESTATEMENT

Certain comparative figures have been restated to conform to the presentation in the current period, which are majorly as follows:

Interim condensed consolidated statement of profit or loss:

	2024	
	As previously reported	2024 Restated
REVENUE		
Gold	817,059,390	793,424,621
Operations *	254,025,937	249,812,433
	1,071,085,327	1,043,237,054
COST OF REVENUE		
Gold	(817,059,390)	(817,059,390)
Operations	(92,839,387)	(92,839,387)
	(909,898,777)	(909,898,777)
Gross loss from gold	-	(23,634,769)
Gross profit from operations	161,186,550	156,973,046
GROSS PROFIT	161,186,550	133,338,277

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16. RESTATEMENT (continued)

Interim condensed consolidated statement of profit or loss:

	2024		2024
	As previously reported	Adjustments	Restated
Selling and marketing expenses	(64,134,603)	4,213,504	(59,921,099)
General and administrative expenses	(24,345,463)	-	(24,345,463)
Gold calibration expenses	(23,634,769)	23,634,769	-
Provision for expected credit loss	(5,262,355)	(1,716,967)	(6,979,322)
Gain on forward contract arranged for expected credit losses	2,787,374	-	2,787,374
Gain on fair valuation of gold inventories **	-	1,716,967	1,716,967
TOTAL OPERATING EXPENSES	(114,589,816)	27,848,273	(86,741,543)
OPERATING PROFIT	46,596,734	-	46,596,734

* This restatement adjustment pertains to customer promotional discount amounting to ~~SR~~ 4.2 million from selling and marketing expenses.

** This restatement adjustment pertains to gold inventories procured as management's strategy to reduce the impact of provision for ECL.

16.1 Restatement from “Gold calibration expenses” to “Net revenue from Gold”

Gold calibration expenses result from difference in gold quality in the gold collected from wholesale customers at the time of settlement of their gold denominated accounts receivable balances. Gold having low quality is accepted to avoid long collection delays, gold price fluctuation impact, and to improve working capital management of the Group.

Gold calibration expenses were presented as a separate line item as part of the operating expenses in the prior period interim condensed consolidated statement of profit or loss. However, based on a technical accounting opinion, the Group concluded that such expenses should be treated as a variable consideration due to Group's customary business practices that fall within the scope of IFRS 15 “Revenue from contracts with customers”. Accordingly, the Group has restated the “Gold calibration expenses” from separate line item within the operating expenses to “Net revenue from Gold” in accordance with IAS 8 “Accounting policies, changes in accounting estimates and errors”.

This restatement has no impact on the interim condensed consolidated statements of changes in equity and cash flows for the six-month period ended 30 June 2024, net profit for the period attributable to the shareholders, or the basic and diluted earnings per share for the six-month period ended 30 June 2024.

16.2 Restatement from “Statutory reserve” to “Retained earnings”

In its meeting dated 19 June 2023, the General Assembly approved certain amendments to its Bylaws to comply with the new applicable Companies Law, including the elimination of requirement of transfer to statutory reserve. However, the transfer was made for FY 2023 and 2024, and during the current period the relevant amounts have been reclassified from the statutory reserve to the retained earnings.

17. BOARD OF DIRECTORS APPROVAL

These Interim Condensed Consolidated Financial Statements were approved by the Board of Directors on 16 Safar 1447H (corresponding to 10 August 2025).