

**HALWANI BROTHERS COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)**

**FOR THE THREE-MONTH AND NINE-MONTH
PERIODS ENDED 30 SEPTEMBER 2025
AND
INDEPENDENT AUDITOR'S REVIEW REPORT**

HALWANI BROTHERS COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT (UNAUDITED)
For the three-month and nine-month periods ended 30 September 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE SHAREHOLDERS OF
HALWANI BROTHERS COMPANY
(A SAUDI JOINT STOCK COMPANY)
Jeddah - Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Halwani Brothers Company - A Saudi Joint Stock Company - ("the Company") and its Subsidiary ("collectively referred to as the "Group"), as of 30 September 2025, and the related interim condensed consolidated statement of comprehensive income for the three-month and nine-month periods ended on 30 September 2025, interim condensed consolidated statements of changes in shareholders' equity and cash flows for the nine months period then ended 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"), as 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.

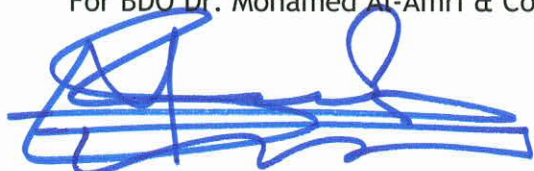
Scope of review

We conducted our review in accordance with the 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 statements consists of making inquiries, primarily to the 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

For BDO Dr. Mohamed Al-Amri & Co



Maher Al-Khatieb
Certified Public Accountant
Registration No. 514



15 Jamad-ul-Awwal 1447 (H)
06 November 2025 (G)

HALWANI BROTHERS COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
For the three-month and nine-month periods ended 30 September 2025

	Note	For the three-months period ended 30 SEP		For the Nine-months period ended 30 SEP	
		30 September 2025	30 September 2024	30 September 2025	30 September 2024
		ﷲ	ﷲ	ﷲ	ﷲ
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from contracts with customers	4	231,127,111	248,549,831	682,785,274	731,966,775
Cost of revenue		(165,398,939)	(175,639,234)	(489,387,626)	(512,219,804)
GROSS PROFIT		65,728,172	72,910,597	193,397,648	219,746,971
Selling and distribution expenses		(31,860,215)	(29,018,323)	(98,662,177)	(89,787,560)
General and administrative expenses		(14,816,360)	(13,954,159)	(43,419,916)	(45,189,540)
Impairment losses on property, plant and equipment		(449,983)	-	(449,983)	-
Other income, net	5	4,049,404	(782,607)	10,211,237	467,579
PROFIT FROM OPERATIONS		22,651,018	29,155,508	61,076,809	85,237,450
Finance costs		(7,080,210)	(6,793,021)	(24,462,375)	(19,393,018)
Profit / (Loss) from foreign currency differences		459,893	(938,527)	(1,049,093)	(27,160,704)
PROFIT BEFORE ZAKAT AND INCOME TAX DURING THE PERIOD		16,030,701	21,423,960	35,565,341	38,683,728
Zakat	6	(600,000)	(1,800,000)	(2,400,000)	(5,400,000)
Income tax	6-e	(2,417,092)	(4,141,555)	(6,208,636)	(7,033,052)
PROFIT FOR THE PERIOD		13,013,609	15,482,405	26,956,705	26,250,676
OTHER COMPREHENSIVE INCOME					
ITEMS RECLASSIFIED LATER TO PROFIT OR LOSS:					
Foreign currency translation differences		1,487,268	(250,336)	2,415,560	(59,521,828)
Other comprehensive income for the period		1,487,268	(250,336)	2,415,560	(59,521,828)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		14,500,877	15,232,069	29,372,265	(33,271,152)
EARNINGS PER SHARE:					
Basic and diluted earnings per share for the period attributable to ordinary shareholders from operating profit		0.64	0.82	1.73	2.41
Basic and diluted earnings per share for the year attributable to ordinary shareholders from profit for the period	7	0.37	0.44	0.76	0.74

Group Chief Financial officer
Fathy Mohamed Abdelhamid

Deputy Chief Executive officer
Eng. Fawaz Mohammed Halwani

Managing Director
Eng. Sakhr Assad Jamjoom

The attached notes 1 to 15 form an integral part of these unaudited interim condensed consolidated financial statements.

HALWANI BROTHERS COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at 30 September 2025

		30 September 2025 (Unaudited)	31 December 2024 (Audited)
	Note	ﷲ	ﷲ
ASSETS			
NON-CURRENT ASSETS			
Property, plant, and equipment		330,324,578	343,119,005
Intangible assets		1,441,747	2,645,952
Right of use assets		16,206,473	14,659,902
Real Estate Investment		45,134,328	45,134,328
Deferred tax assets		1,656,899	1,006,018
TOTAL NON-CURRENT ASSETS		394,764,025	406,565,205
CURRENT ASSETS			
Inventories		192,675,176	200,221,284
Trade receivables and other current assets		171,469,855	138,078,709
Cash and cash equivalent	8	8,273,212	35,310,857
TOTAL CURRENT ASSETS		372,418,243	373,610,850
TOTAL ASSETS		767,182,268	780,176,055
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital		353,571,450	353,571,450
Retained earnings		269,296,265	242,339,560
Foreign currency translation reserve		(303,900,542)	(306,316,102)
TOTAL SHAREHOLDERS' EQUITY		318,967,173	289,594,908
NON-CURRENT LIABILITIES			
Islamic Murabaha contracts	9	32,746,203	44,687,500
Deferred tax liability		1,368,991	2,468,060
Lease contract obligation		10,398,733	9,868,477
Employees defined benefits' obligations		27,836,430	26,873,500
TOTAL NON-CURRENT LIABILITIES		72,350,357	83,897,537
CURRENT LIABILITIES			
Current portion of Islamic Murabaha Contracts long term	9	16,496,203	16,250,000
Islamic Murabaha Contracts short-term	9	154,858,468	186,349,935
Current portion of lease contract obligations		7,796,050	5,503,053
Trade payables		63,827,223	71,521,042
Accrued expenses and other current liabilities		122,399,423	115,052,278
Zakat and income tax	6	10,487,371	12,007,302
TOTAL CURRENT LIABILITIES		375,864,738	406,683,610
TOTAL LIABILITIES		448,215,095	490,581,147
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		767,182,268	780,176,055

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HALWANI BROTHERS COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
For the three-month and nine-month periods ended 30 September 2025

	Share capital	Statutory reserve	Retained earnings	Foreign currency translation reserve	Total equity
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
As at 1 January 2025	353,571,450	-	242,339,560	(306,316,102)	289,594,908
Net profit for the period	-	-	26,956,705	-	26,956,705
Other comprehensive income for the period	-	-	-	2,415,560	2,415,560
Total comprehensive income	-	-	26,956,705	2,415,560	29,372,265
Balance at 30 September 2025	353,571,450	-	269,296,265	(303,900,542)	318,967,173

	Share capital	Statutory reserve	Retained earnings	Foreign currency translation reserve	Total equity
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
As at 1 January 2024	353,571,450	106,071,435	90,788,021	(243,595,177)	306,835,729
Net income for the period	-	-	26,250,676	-	26,250,676
Other comprehensive loss for the period	-	-	-	(59,521,828)	(59,521,828)
Total comprehensive loss	-	-	26,250,676	(59,521,828)	(33,271,152)
Transfer from statutory reserve to retained earnings	-	(106,071,435)	106,071,435	-	-
Balance at 30 September 2024	353,571,450	-	223,110,132	(303,117,005)	273,564,577

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HALWANI BROTHERS COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
For the three-month and nine-month periods ended 30 September 2025

		For the nine-months period ended 30 September 2025	For the nine-months period Ended 30 september 2024
	Note	س.م (Unaudited)	س.م (Unaudited)
OPERATING ACTIVITIES			
Profit before zakat and income tax during the period		35,565,341	38,683,728
Adjustment for non-cash to reconcile operating income before Zakat and income tax			
Depreciation of property, plant, and equipment		23,093,470	23,735,368
Amortization of intangible assets		226,848	339,312
Impairment losses on property, plant and equipment		449,983	-
Depreciation of right of use		5,019,790	4,817,846
Adjustment on lease liabilities		660,428	-
Provision for employees defined benefits' obligations		2,623,374	2,630,804
Gain on Sale of property, plant, equipment		(1,277,219)	(307,557)
Provision for expected credit losses		523,796	576,527
Provision for slow-moving inventory		580,250	2,390,828
Provision for contingencies		1,999,900	2,311,946
Provision for Local and Foreign Suppliers - Debit Balances		239,238	-
Used from provisions		(631,033)	(6,818,876)
Finance costs, net		24,462,375	38,232,206
Provisions no longer required		(81,765)	(3,583,763)
		93,454,776	103,008,369
Changes in items of operating assets and liabilities:			
Inventories		12,813,973	(28,473,558)
Trade receivables and other current assets		(31,743,859)	(6,408,595)
Trade payables and accrued expenses and other current liabilities		(7,465,038)	30,286,619
Cash flows generated from Working Capital		67,059,852	98,412,835
Zakat paid		(1,197,908)	(909,958)
Income tax paid		(7,177,699)	(9,601,437)
Defined Employees benefits' obligations paid		(1,660,444)	(2,523,432)
Net cash generated from operating activities		57,023,801	85,378,008
INVESTING ACTIVITIES			
Purchase of property, plant, and equipment		(10,043,531)	(8,676,421)
Purchase of intangible assets		-	(173,001)
Proceeds from sales of property, plant and equipment		2,219,067	271,478
Net cash (used in) investing activities		(7,824,464)	(8,577,944)
FINANCING ACTIVITIES			
Proceeds from Islamic Murabaha Contracts		327,493,834	661,228,668
Payments of Islamic Murabaha Contracts		(358,966,305)	(820,040,436)
Payment of lease liabilities		(6,135,516)	(6,092,546)
Proceeds from long-term Islamic Murabaha contracts		473,410	65,000,000
Payment of term loans		(12,187,500)	(4,163,000)
Finance cost paid		(23,050,894)	(36,952,435)
Net cash (used in) financing activities		(72,372,971)	(141,019,749)
NET CHANGE IN CASH AND CASH EQUIVALENT		(23,173,634)	(64,219,685)
Net difference in foreign currency translation		(3,864,011)	(14,109,846)
Cash and cash equivalent as at 1 January		35,310,857	110,960,325
CASH AND CASH EQUIVALENT AS AT 30 September	8	8,273,212	32,630,794

SIGNIFICANT NON-CASH TRANSACTIONS:

Change effect in the differences of translation of foreign currencies	2,415,560	(59,521,828)
Transfer from projects under construction to property, plant, and equipment	9,238,366	4,648,617
Transfer from intangible assets to prepaid expenses	1,053,169	-
Adjustment on lesase liabilities	320,500	-

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1. CORPORATE INFORMATION

Halwani Brothers Company ("the Company" or "the Parent Company"), a Saudi Joint Stock Company established in accordance with Company's regulations in the Kingdom of Saudi Arabia. It is registered in Jeddah city under Commercial Registration (CR) No. 4030005702 dated on 11 Rabi` al-Thani 1388H (corresponding to 7 July 1968). Company consolidated number 7000447065.

The Company is listed in the Capital Market Authority (CMA) in the Kingdom of Saudi Arabia. It is also 51% owned by Aseer Al Arabiah for Industrial Investment Co, and 49% by other shareholders.

The Company is mainly engaged in the manufacturing, packaging, wholesale and retail trade of food products.

The registered address of the Company is in Jeddah, Industrial area, fourth stage, P. O. Box 690, Jeddah 21421, Kingdom of Saudi Arabia. The headquarters of the Company is located in Jeddah. The Parent Company operates in the Kingdom of Saudi Arabia, through its branches located in various regions of the Kingdom of Saudi Arabia

The Interim condensed consolidated financial statements comprise the interim financial statements of the Parent Company and the Interim financial statements of Halwani Brothers Egypt - a closed Egyptian Joint Stock Company - a wholly owned subsidiary of the Parent Company which is engaged in manufacturing, packaging and distribution of all foodstuffs (together referred as the "Group").

2. BASIS OF PREPARATION AND CHANGES IN SIGNIFICANT ACCOUNTING POLICIES FOR THE GROUP

2.1 Basis of preparation

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

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements. They should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2024. In addition, results for the interim period ended 30 September 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

The interim condensed consolidated financial statements have been prepared on a historical cost basis except for financial derivatives that have been measured at fair value and for employee benefit obligations where current actuarial value calculations are used. The interim condensed consolidated financial statements are presented in Saudi Riyals, which is the functional currency of the Group - (unless otherwise noted).

2.2 Going concern assessment

The group's management has made an assessment of the group's ability to continue to carry out its business in accordance with the principle of going concern and the group is convinced that it has the resources to continue its business in the foreseeable future. Also, management is not aware of any material uncertainties that may affect the Group's ability to continue its business. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

2.3 New Standards Amendment to Standards and Interpretations

New Standards Amendment to Standards and Interpretations

There are no new standards issued by (IASB), however, there are number of amendments to standards which are effective from 1 January 2025 and has been explained in Group annual Consolidated Financial Statements, but they do not have a material effect on the Group's Interim Condensed Consolidated Financial Statements.

2. BASIS OF PREPARATION AND CHANGES IN SIGNIFICANT ACCOUNTING POLICIES FOR THE GROUP (Continued)

2.4 Basis of consolidation

The interim condensed consolidated financial statements include the interim financial statements of the Company and the Subsidiaries (the "Group") as of 30 September 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its transactions with the investee and has the ability to affect those returns through exercising its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its transactions with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has control over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a Subsidiary begins when the Group obtains control over the Subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a Subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the it ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of the Subsidiaries to bring it's accounting policies in line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including Goodwill, if any), liabilities, non-controlling interest, and other components of equity, while any resultant gain or loss is recognized in the interim condensed consolidated statement of comprehensive income. Any investment retained is recognized at fair value.

Below are the details of the subsidiary:

Company name	Country of incorporation	Ownership percentage as at 30 September 2025	Ownership percentage as at 31 December 2024	Activity
Halwani Brothers Company (a closed Egyptian joint stock Company)	Alsharqia - Arab Republic of Egypt	100%	100%	Manufacturing, packaging, canning and distribution of all foods.
Fodco Limited*	Cayman Islands	100%	100%	Investment
Halegpt Limited*	Cayman Islands	100%	100%	Investment

* Both companies haven't started their operations yet.

3. SEGMENT REPORTING

A segment is a distinguishable component of the Group that is engaged in providing products or specific services (business segment) or providing products or services within a particular economic environment (a geographic segment), which is subject to risks and rewards that are different from other segments. The Group uses the geographical segment only as it operates in the manufacturing, filling, whole, and retail trade of food products.

The financial information of assets and liabilities related to geographical segments after excluding the effect of balances among companies of the Group as at 30 September 2025 and 31 December 2024 as follows:

Segments	Kingdom of Saudi Arabia in thousands ﷲ	Arab Republic of Egypt in thousands ﷲ	Reconciliation in thousands ﷲ	Total in thousands ﷲ
<u>As of 30 September, 2025 (Unaudited)</u>				
Total assets	629,059	183,649	(45,526)	767,182
Total liabilities	310,092	141,244	(3,121)	448,215
Capital expenditure incurred during the Period	4,116	5,927	-	10,043
<u>As of 31 December 2024 (Audited)</u>				
Total assets	649,385	198,287	(67,496)	780,176
Total liabilities	359,790	133,337	(2,546)	490,581
Capital expenditure incurred during the year	2,346	9,400	-	11,746

The financial information of revenue and selected profit relating to the geographical segments excluding the effect of transactions between the Group's companies for the nine month period ended 30 September 2025 and 30 September 2024 is as follows:

Segments	Kingdom of Saudi Arabia in thousands ﷲ	Arab Republic of Egypt in thousands ﷲ	Reconciliation in thousands ﷲ	Total in thousands ﷲ
<u>For the nine months period ended 30 September 2025 (Unaudited)</u>				
Revenue from contracts with customers	355,039	329,458	(1,712)	682,785
Company's share in the results of the subsidiary	12,109	-	(12,109)	-
Segment profit for the period	26,957	12,109	(12,109)	26,957
<u>For the nine months period ended 30 September 2024 (Unaudited)</u>				
Revenue from contracts with customers	358,039	375,220	(1,292)	731,967
Company's share in the results of the subsidiary	21,139	-	(21,139)	-
Segment profit for the period	26,251	21,139	(21,139)	26,251

Detailed revenue information from contracts with customers for geographical segments is shown in Note (4).

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

The following are the details of the Group's revenue from contracts with customers for the nine months ended on 30 September 2025, and 30 September 2024:

<u>Segments</u>	Kingdom of Saudi Arabia in thousands ﷼	Arab Republic of Egypt in thousands ﷼	Reconciliation in thousands ﷼	Total in thousands ﷼
For the nine-months period ending 30 September 2025 (Unaudited)				
Type of goods				
Sesame products	192,170	54,576	-	246,746
Meat products	31,458	244,811	-	276,269
Other products	131,411	30,071	(1,712)	159,770
Total	355,039	329,458	(1,712)	682,785
Type of customers				
Key customers	89,013	59,281	-	148,294
Traditional Trade	193,071	229,405	-	422,476
Exports	39,414	40,772	(1,712)	78,474
Others	33,541	-	-	33,541
Total	355,039	329,458	(1,712)	682,785

<u>Segments</u>	Kingdom of Saudi Arabia in thousands ﷼	Arab Republic of Egypt in thousands ﷼	Reconciliation in thousands ﷼	Total in thousands ﷼
For the nine-months period ending 30 September, 2024 (Unaudited)				
Type of goods				
Sesame products	187,007	81,177	-	268,184
Meat products	32,964	256,995	-	289,959
Other products	138,068	37,048	(1,292)	173,824
Total	358,039	375,220	(1,292)	731,967
Type of customers				
Key customers	88,069	64,173	-	152,242
Traditional Trade	215,947	254,017	-	469,964
Exports	34,744	57,030	(1,292)	90,482
Others	19,279	-	-	19,279
Total	358,039	375,220	(1,292)	731,967

5. OTHER INCOME, NET

	30 September 2025 ﷲ (Unaudited)	30 september 2024 ﷲ (Unaudited)
Reversal of credit balance	4,851,340	-
Export sales support revenue (subsidiary company)	2,518,143	87,302
Gain on sales property, plant, and equipment	1,277,219	307,557
Gain on sale of scrap	1,155,680	526,918
Other income	766,470	1,041,815
Other Expenses	(357,615)	(1,496,013)
	10,211,237	467,579

6. ZAKAT AND INCOME TAX

- a) Zakat and income tax provision as reported in the Group's Interim condensed consolidated statement of financial position is as follows:

	30 September 2025 ﷲ (Unaudited)	31 December 2024 ﷲ (Audited)
Zakat provision	6,477,249	5,275,157
Income tax provision	4,010,122	6,732,145
	10,487,371	12,007,302

- b) Zakat charged to the interim condensed consolidated statement of comprehensive income:

	For the nine-months period ended 30 September	
	2025 (Unaudited)	2024 (Unaudited)
Charge during the period	2,400,000	5,400,000

- c) Movement in zakat provision during the period/ year is as follows:

	30 September 2025 ﷲ (Unaudited)	31 December 2024 ﷲ (Audited)
Balance at the beginning of the period /year	5,275,157	1,483,437
Charge during the period /year	2,400,000	4,701,678
Paid during the period /year	(1,197,908)	(909,958)
Balance at the end of the period / year	6,477,249	5,275,157

6. ZAKAT AND INCOME TAX (Continued)

d) Movement in Tax provision during the period / year is as follows:

	30 September 2025 ﷲ (Unaudited)	31 December 2024 ﷲ (Audited)
Balance at the beginning of the period /year	6,732,145	14,906,214
Charge during the period /year	5,453,636	10,610,491
Paid during the period /year	(7,177,699)	(14,922,502)
Foreign currency differences	(997,960)	(3,862,058)
Balance at the end of the period / year	4,010,122	6,732,145

e) Tax charged to the interim condensed consolidated statement of comprehensive income:

	For the nine-months period ended 30 September	
	2025 ﷲ (Unaudited)	2024 ﷲ (Unaudited)
Current income tax	6,022,294	7,760,185
Deferred tax income	(568,658)	(727,133)
Income tax for dividends	755,000	-
Total Movement-expenses	6,208,636	7,033,052

f) Zakat and Tax Status

(f-1) Zakat status (Halwani Brothers Company - Saudi Arabia)

1) Zakat

- The Parent Company finalized its zakat status for the year 2023.
- The Parent Company filed zakat declarations for the year 2024 and obtained a zakat certificate.

2) Value Added Tax

- The company's books and records were examined until 2023, and the tax due was paid.
- For the year 2024, the company pays its liabilities according to the tax return and were examine with Zakat, Tax and Customs Authority is still under process
- For the year 2025, The company fulfills its obligations based on the declarations on their legal due dates.

(f-2) Tax status (Halwani Brothers Company - Egypt)

1) Corporate taxation

- The company was exempt from taxes in accordance with Law No. 8 of 1997 on Investment Guarantees until December 31, 2005.
- The Subsidiary's books and records were examined until 2019, and paid the accrued tax.
- Tax returns have been submitted and the due taxes have been paid for the years 2020, 2021, and 2022. The company's books and records are currently under review, and no tax assessments have been issued for those years.
- Tax returns have been submitted and the due taxes have been paid for the years 2023 and 2024, and the company has not yet been notified of any inspection.

2) Value Added Tax

- The company's books and records were examined until 2022, and the tax due was paid.
- Monthly tax returns for the years 2023, 2024, and 2025 have been submitted, and the due taxes have been paid within the legal deadlines. The company has not yet been notified of any inspection.

3) Payroll taxes

- The company's books and records were examined until 2022, and the tax due was paid.
- For the years 2023, 2024, and 2025, the company submits monthly tax returns and annual tax reconciliations, and pays the due taxes within the legal deadlines. The company has not yet been notified of any inspection.

6. ZAKAT AND INCOME TAX (Continued)

f) Zakat and Tax Status (Continued)

(f-2) Tax status (Halwani Brothers Company - Egypt) (Continued)

4) Stamp taxes

- The books and records of the Subsidiary Company up to the year 2022 were examined, and the tax due was paid.
- For the years 2023, 2024, and 2025, the company pays the due amounts within the legal deadlines and has not yet been notified of any inspection.

5) Deduction and addition tax

- The company's books and records were examined until 2022, and the tax due was paid.
- For the years 2023, 2024, and 2025, quarterly tax return are submitted and the due taxes are paid within the legal deadlines. The company has not yet been notified of any inspection.

6) Real estate taxes

Accounting has been completed and the dues have been paid until 2021, there are no financial dues from the company, and there is an exemption for the years from 2022 to 2026.

7. EARNING PER SHARE

Basic and diluted earnings per share (EPS) from net profit is calculated by dividing the profit for the period attributable to ordinary shareholders by the weighted average number of ordinary outstanding shares on the date of the interim condensed consolidated statement of financial position.

The calculation of earnings per share as follows:

	For the three-months period ended 30 September		For the nine-months period ended 30 September	
	2025 ﷲ	2024 ﷲ	2025 ﷲ	2024 ﷲ
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net profit for the period	13,013,609	15,482,405	26,956,705	26,250,676
Weighted average number of shares	35,357,145	35,357,145	35,357,145	35,357,145
Basic and diluted earnings per share (ﷲ)	0.37	0.44	0.76	0.74

There was no reduction component affecting the weighted average number of ordinary shares.

8. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	As at 30 September 2025 ﷲ	As at 31 December 2024 ﷲ
	(Unaudited)	(Audited)
Trade receivables	154,897,440	116,692,924
Allowance for expected credit losses	(14,283,795)	(13,700,224)
Trade receivables, net	140,613,645	102,992,700
Prepaid expenses	8,465,198	6,014,266
Advance payments to suppliers	8,129,372	13,919,492
Employee loan	2,044,460	1,561,315
Due from related parties net.	2,018,407	2,020,405
Other receivables	10,198,773	11,570,531
	171,469,855	138,078,709

9. CASH AND CASH EQUIVALENT

	As at 30 September 2025 ﷲ	As at 31 December 2024 ﷲ
	(Unaudited)	(Audited)
Cash on hand and at bank	6,235,553	32,969,560
Cheques under collections	2,037,659	2,341,297
	8,273,212	35,310,857

10. ISLAMIC MURABAHA CONTRACTS

The carrying value of the Islamic Murabaha contracts as at 30 September 2025 and 31 December 2024 are:

	30 September 2025	31 December 2024
	ﷲ	ﷲ
	(Unaudited)	(Audited)
Current portion	171,354,671	202,599,935
Non-current portion	32,746,203	44,687,500
	204,100,874	247,287,435

10.1 Islamic Murabaha Contracts Long Term

	30 September 2025	31 December 2024
	ﷲ	ﷲ
	(Unaudited)	(Audited)
* Al Rajhi Bank financing		
Current portion	16,250,000	16,250,000
Non-current portion	32,500,000	44,687,500
Alrajhi Bank financing	48,750,000	60,937,500

The parent company signed an agreement with Al Rajhi Bank to reclassify part of the value of the existing bank facilities used for financing working capital to medium-term financing in the amount of 65 million ﷲ. According to the terms of the agreement, the financing is to be repaid in quarterly installments of 4.06 million ﷲ, with the first installment due on December 31, 2024, and the financing concluding on September 30, 2028. The financing incurs financing fees (at the prevailing market rate among Saudi banks plus a profit margin). The financing is secured with promissory notes issued to the bank. As of September 30, 2025, the outstanding balance of this contract amounted to 48.8 million ﷲ (December 31, 2024: 60.9 million ﷲ).

* National Bank of Egypt financing	Financing currency	Amount in original currency	Balance in Saudi Riyals	
Current portion	Egyptian Pound (EGP)	3,150,000	246,203	-
Non-current portion	Egyptian Pound (EGP)	3,150,000	246,203	-
National Bank of Egypt financing			492,406	-

The subsidiary has a long-term Islamic Murabaha financing agreement with the National Bank of Egypt in the Arab Republic of Egypt to finance the Environmental Compliance Initiative. The subsidiary pays financing charges as per the initiative, and the financing will mature on 3 August 2027. The murabaha is secured by promissory notes issued to the bank. As of 30 September 2025, the outstanding balance of this agreement amounted to SAR 0.5 million ﷲ (31 December 2024: SAR Nill ﷲ).

10.2 Islamic Murabaha Contracts Short Term

The carrying value of the Islamic Murabaha contracts as at 30 September 2025 and 31 December 2024 is as follows:

Finance type	Note	Currency	Amount in original currency		Amount in Saudi Riyals	
			As at 30 September 2025	As at 31 December 2024	As at 30 September 2025	As at 31 December 2024
			(Unaudited)	(Audited)	(Unaudited)	(Audited)
Tawaruq	A	ﷲ	49,250,000	70,000,000	49,250,000	70,000,000
Tawaruq	A	ﷲ	13,113,894	12,937,544	13,113,894	12,937,544
Tawaruq	A	ﷲ	42,306,508	43,117,182	42,306,508	43,117,182
Murabaha	B	Egyptian Pound	245,136,546	395,287,671	19,159,825	29,173,443
Murabaha	B	Egyptian Pound	96,154,779	106,945,485	7,515,439	7,892,772
Murabaha	B	Egyptian Pound	96,807,354	88,645,849	7,566,444	6,542,226
Murabaha	B	Egyptian Pound	7,669,026	97,479,773	599,410	7,194,185
Murabaha	B	Egyptian Pound	72,461,102	32,464,192	5,663,545	2,395,917
Murabaha	B	Egyptian Pound	-	96,158,410	-	7,096,666
Murabaha	B	US Dollar	1,948,143	-	7,299,825	-
Murabaha	B	US Dollar	426,529	-	1,598,233	-
Murabaha	B	US Dollar	209,589	-	785,345	-
					154,858,468	186,349,935

10. ISLAMIC MURABAHA CONTRACTS (Continued)

10.2 Islamic Murabaha Contracts Short Term (Continued)

- a) The parent company entered into short-term Islamic Murabaha contracts (Tawaruq) with local banks in the Kingdom of Saudi Arabia guaranteed by promissory notes. These murabahas are paid within a period of three to eight months, and the parent company pays financing charges on the financing according to the prevailing market rate between Saudi banks plus a profit margin, as of 30 September 2025, the outstanding balance of these contracts amounted to 104.67 million ﷲ (31 December 2024: 126,05 million ﷲ).
- b) The subsidiary also entered into short Murabaha contracts with local banks in the Arab Republic of Egypt to finance its operations. The subsidiary company pays financing charges according to the market price, The murabaha is secured by promissory notes issued to the bank. As of 30 September 2025, the outstanding balance of these contracts amounted to 50.19 million ﷲ (31 December 2024: 60,3 million ﷲ).

11. RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent major shareholders, board members, and key management personnel of the Group and entities controlled or significantly influenced by such parties. The Groups' major-related parties are described as follows:

Name	Relationship
Albaraka Bank	A party to a member of the board of directors
Halawani & Al-Tahan Company	A party to a member of the board of directors
Halawani Global Company Ltd	A party to a member of the board of directors
Al Wasta Food Services Co. Ltd	A party to a member of the board of directors
Aquat Food Industries	A party to a member of the board of directors
Albaik food systems Co.	A party to a member of the board of directors
Food Services Group Company	A party to a member of the board of directors
Dallah Taibah Hotel	A party to a member of the board of directors
Dallah Hospital	A party to a member of the board of directors
Affiliates of the Parent Company	Related parties
Key management and Executives	Related parties
Board members	Related parties

The following are the main transactions relating to related parties during the nine months ended 30 September 2025, and 30 September 2024, and related party balances as of 30 September 2025, and 31 December 2024:

a) Due from related parties (trade receivables and other current assets)

	Nature of transaction	Transaction for the nine-month period ended 30 september		As at	
		2025	2024	30 September 2025	31 December 2024
Albaik food systems Co.	Selling finished goods	6,204,802	6,792,741	1,569,613	1,397,055
Aquat Food Industries	Selling finished goods	1,485,044	1,911,267	252,586	246,456
Al Wasta Food Services Co. Ltd	Selling finished goods	689,054	773,552	138,506	324,133
Halwani and Altahan Company	Selling finished goods	15,600	-	-	-
Halwani International LLC	Selling finished goods	39,929	-	4,037	374
Food Service group company	Selling finished goods	-	-	9,614	9,614
Dallah Taibah Hotel	Selling finished goods	48,202	95,481	1,058	7,339
Dallah hospital	Selling finished goods	188,447	191,205	52,607	45,048
				2,028,021	2,030,019
Less: impairment of the value of related parties				(9,614)	(9,614)
				2,018,407	2,020,405

11. RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)

b) Other related parties (Islamic Murabaha and current accounts):

	Nature of transaction	<u>Transaction for the nine-months period ended</u>		<u>As at</u>	
		30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	30 September 2025 (Unaudited)	31 December 2024 (Audited)
	Islamic Murabaha	-	514,816	-	-
Albaraka Bank*	Financing expense and income	1,725	20,081	-	-

*Al Baraka Bank balance is allocated as follows:

	<u>As at 30 September 2025 (Unaudited)</u>	<u>As at 31 December 2024 (Audited)</u>
Current accounts	12,629	34,525
	<u>12,629</u>	<u>34,525</u>

c) Board of directors and key management's allowances and remunerations

Compensation of key management personnel and Board of Directors recognized as an expense during the period is as follows:

	<u>For the nine-month period ended 30 September</u>	
	<u>2025 (Unaudited)</u>	<u>2024 (Unaudited)</u>
Salaries and other benefits	10,425,973	8,842,527
End of service benefits	234,576	163,948
Rewards and allowances for attending the meetings	3,949,158	4,663,565
	<u>14,609,707</u>	<u>13,670,040</u>

12. FAIR VALUES MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group's financial assets consist of Cash and cash equivalent, Trade receivables and other current assets, and due from related parties, while its financial liabilities consist of trade payables and Accrued expenses and other current liabilities, Islamic Murabaha Contracts, term loans, obligation under finance leases, and due to related parties, as below:

12.1 Financial assets

	<u>As at 30 September 2025 (Unaudited)</u>	<u>As at 31 December 2024 (Audited)</u>
Trade receivables and other current assets	171,469,855	138,078,709
Cash and cash equivalent	8,273,212	35,310,857
	<u>179,743,067</u>	<u>173,389,566</u>

12. FAIR VALUES MEASUREMENT (Continued)

12.2 Financial liability

	As at 30 September 2025 (Unaudited)	As at 31 December 2024 (Audited)
Trade payables	63,827,223	71,521,042
Accrued expenses and other current liabilities	122,399,423	115,052,278
Islamic Murabaha Contracts	204,100,874	247,287,435
Lease contract obligations	18,194,783	15,371,530
	408,522,303	449,232,285

Financial assets and liabilities were measured at amortized cost and no financial instruments or amounts of the Group were measured at fair value (if any). For which fair values have been measured and whose fair values have been disclosed in the interim condensed consolidated financial statements have been classified within the fair values hierarchy shown below based on the lower level data that is material for the measurement of fair values as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The fair value of financial assets as at 30 September 2025, and 31 December 2024 is the carrying value due to the fact that the balances of these receivables are short-term in nature.

There were no transfers between Level 1, Level 2, and Level 3 during the period ending on 30 September 2025, and 30 September 2024 and 31 December 2024.

13. CONTINGENT LIABILITIES

The commitments and contingent liabilities are as follows:

	As of 30 September 2025 (Unaudited) ﷲ	As of 31 December 2024 (Audited) ﷲ
Letters of guarantee and documents for collection issued by banks	31,715,922	70,668,766

14. COMPARATIVE FIGURES

Some figures of the previous period have been reclassified to conform with the presentation for the current period, the most important of which are as follows:

	As at 30 September 2024		
<u>Interim Condensed Consolidated Statement Of Comprehensive Income</u>	<u>Before reclassification</u>	<u>Reclassification</u>	<u>After reclassification</u>
Finance costs	(38,232,206)	18,839,188	(19,393,018)
Loss on foreign currency differences	(8,321,516)	(18,839,188)	(27,160,704)

15. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements for the Group for the period ended 30 September 2025, were approved by the Board of Directors on 02/11/2025.