SAUDI PARTS CENTER COMPANY

(A Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM
Financial Statements (Unaudited)

together with

Independent Auditor's Report on Review of Condensed Consolidated Interim Financial Statements
As at and for the six-month period ended 30 June 2026

SAUDI PARTS CENTER COMPANY
(A Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2026
(Amount in ⃁)

KPMG Professional Services Company
Roshn Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية
واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent auditor's report on review of condensed consolidated interim financial statements

To the Shareholders of Saudi Parts Center Company (A Joint Stock Company)

Introduction

We have reviewed the accompanying 30 June 2026 condensed consolidated interim financial statements of **Saudi Parts Center Company** ("the Company") and its subsidiary ("the Group") which comprises:

- the condensed consolidated statement of financial position as at 30 June 2026;
- the condensed consolidated statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2026;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2026;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2026; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim 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' that is endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim 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 30 June 2026 condensed consolidated interim financial statements of **Saudi Parts Center Company** and its subsidiary (the Group) are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services Company

Fahad Mubark Aldossari
License No: 469

Riyadh on: 12 Rabi ul Awal, 1448H
Corresponding to: 25 August 2026

SAUDI PARTS CENTER COMPANY
(A Joint Stock Company)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2026
(Amount in ⃁)

	Notes	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
ASSETS			
Non-Current Assets			
Property and equipment	5	**23,694,402**	22,687,970
Right-of-use assets	6	**4,170,005**	2,746,118
Total Non-Current Assets		**27,864,407**	25,434,088
Current Assets			
Inventories	7	**40,180,483**	37,732,623
Trade receivables	9	**25,639,603**	25,107,834
Prepayment and other current assets	8	**8,321,144**	4,214,548
Cash and cash equivalents	11	**8,655,616**	4,423,163
Total Current Assets		**82,796,846**	71,478,168
Total Assets		**110,661,253**	96,912,256
EQUITY AND LIABILITIES			
Equity			
Share capital		**30,000,000**	30,000,000
(Accumulated loss) / retained earnings		**(1,070,205)**	2,835,532
Other reserves	12	**1,861,502**	1,861,502
Actuarial valuation reserve		**(2,624,505)**	(2,624,505)
Total Equity		**28,166,792**	32,072,529
Non-Current Liabilities			
Employees end of service benefits	13	**8,112,530**	8,061,270
Lease liabilities	6	**2,614,827**	1,060,181
Total Non-Current Liabilities		**10,727,357**	9,121,451
Current Liabilities			
Trade and other payables	14	**18,921,373**	15,997,215
Loans and borrowings	15	**41,384,446**	36,731,395
Due to a shareholder	10	**9,884,756**	941,890
Lease liabilities	6	**1,372,497**	1,576,639
Zakat provision	21	**204,032**	471,137
Total Current Liabilities		**71,767,104**	55,718,276
Total Liabilities		**82,494,461**	64,839,727
Total Equity and Liabilities		**110,661,253**	96,912,256

The attached notes 1 to 28 form an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements appearing on pages (2) to (21) have been approved by Board of Directors and are signed on their behalf by:

Chairman of Board	ADRIANO LUZ Chief Executive Officer	Chief Financial Officer

SAUDI PARTS CENTER COMPANY
(A Joint Stock Company)
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six-month period ended 30 June 2026
(Amount in ⃁)

	Notes	For the six-month period ended 30 June 2026 (Unaudited)	2025 (Unaudited)
PROFIT OR LOSS			
Revenue	16	**41,403,496**	43,648,348
Cost of sales	17	**(31,325,006)**	(34,143,218)
Gross profit		**10,078,490**	9,505,130
Other income		**82,996**	44,042
Selling and distribution expenses	18	**(7,930,088)**	(9,581,678)
General and administrative expenses	19	**(4,216,392)**	(4,621,649)
Impairment allowance for expected credit losses	9	**(787,365)**	(519,622)
Operating loss		**(2,772,359)**	(5,173,777)
Finance costs	20	**(981,486)**	(682,075)
Loss before zakat		**(3,753,845)**	(5,855,852)
Zakat	21	**(151,892)**	(411,941)
Loss for the period		**(3,905,737)**	(6,267,793)
OTHER COMPREHENSIVE INCOME			
Items that will not to be reclassified subsequently to profit or loss:			
Re-measurement gain on employees end of service benefits		-	-
Total other comprehensive income		-	-
Total Comprehensive Loss for the period		**(3,905,737)**	(6,267,793)
Loss per share:			
Basic loss per share	22	**(1.30)**	(2.09)
Diluted loss per share	22	**(1.30)**	(2.09)

The attached notes 1 to 28 form an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements appearing on pages (2) to (21) have been approved by Board of Directors and are signed on their behalf by:

Chairman of Board	ADRIANO LUZ Chief Executive Officer	Chief Financial Officer

SAUDI PARTS CENTER COMPANY
(A Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2026

(Amount in ⃁)

	Share Capital	Statutory Reserves	Other Reserves	Accumulated Loss) / Retained Earnings	Actuarial Valuation Reserve	Total
For the six-month period ended 30 June 2026						
Balance as at 1 January 2026 (Audited)	**30,000,000**	**--**	**1,861,502**	**2,835,532**	**(2,624,505)**	**32,072,529**
Loss for the period (unaudited)	--	--	--	**(3,905,737)**	--	**(3,905,737)**
Other comprehensive income for the period (unaudited)	--	--	--	--	--	--
Total comprehensive loss for the period (unaudited)	--	--	--	**(3,905,737)**	--	**(3,905,737)**
Balance as at 30 June 2026 (Unaudited)	**30,000,000**	**--**	**1,861,502**	**(1,070,205)**	**(2,624,505)**	**28,166,792**
For the six-month period ended 30 June 2025						
Balance as at 1 January 2025 (Audited)	30,000,000	1,861,502	--	17,701,292	(2,167,858)	47,394,936
Loss for the period (unaudited)	--	--	--	(6,267,793)	--	(6,267,793)
Other comprehensive income for the period (unaudited)	--	--	--	--	--	--
Total comprehensive loss for the period (unaudited)	--	--	--	(6,267,793)	--	(6,267,793)
Transfer from statutory reserves to other reserves	--	(1,861,502)	1,861,502	--	--	--
Balance as at 30 June 2025 (Unaudited)	30,000,000	--	1,861,502	11,433,499	(2,167,858)	41,127,143

The attached notes 1 to 28 form an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements appearing on pages (2) to (21) have been approved by Board of Directors and are signed on their behalf by:

ADRIANO LUZ

Chairman of Board	Chief Executive Officer	Chief Financial Officer

SAUDI PARTS CENTER COMPANY
(A Joint Stock Company)
CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS
For the six-month period ended 30 June 2026
(Amount in ⃁)

	Notes	For the six-month period ended 30 June 2026 (Unaudited)	2025 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period		**(3,905,737)**	(6,267,793)
Adjustments:			
Depreciation of property and equipment	5	**481,072**	536,142
Depreciation of right-of-use assets	6	**989,894**	644,525
Loss on termination of lease	6	--	10,932
Employees end of service benefits-current service cost	13	**549,549**	586,444
Adjustment to net realizable value of inventory	7	**174,367**	658,086
Impairment allowance of expected credit loss	9	**787,365**	519,622
Zakat	21	**350,000**	411,941
Finance costs	20	**981,486**	682,075
		209,888	(2,218,026)
Changes in operating working capital:			
Inventories		**(2,622,227)**	3,095,446
Prepayments and other current assets		**(4,106,596)**	(4,020,014)
Trade receivables		**(1,319,134)**	(3,048,219)
Trade and other payables		**2,924,158**	8,516,509
		(4,913,911)	2,325,696
Finance costs paid		**(981,486)**	(682,075)
Zakat paid	21	**(418,997)**	(1,055,988)
Employees end of service benefits paid	13	**(498,289)**	(660,427)
Net cash used in operating activities		**(6,812,683)**	(72,794)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment	5	**(1,487,504)**	(1,966,827)
Capital advances		--	(145,616)
Net cash used in investing activities		**(1,487,504)**	(2,112,443)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities	6	**(1,063,277)**	(709,680)
Due to a shareholder		**8,942,866**	5,269,185
Proceeds from loans and borrowings	15	**49,688,680**	17,137,983
Repayment of loans and borrowings	15	**(45,035,629)**	(19,252,696)
Net cash generated from financing activities		**12,532,640**	2,444,792
Net change in cash and cash equivalents		**4,232,453**	259,555
Cash and cash equivalents at the beginning of the period	11	**4,423,163**	4,272,854
Cash and cash equivalents at the end of the period	11	**8,655,616**	4,532,409
NON-CASH TRANSACTIONS			
Recognition of lease liabilities and right of use assets	6	**2,413,781**	1,245,465

The attached notes 1 to 28 form an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements appearing on pages (2) to (21) have been approved by Board of Directors and are signed on their behalf by:

ADRIANO LUZ

Chairman of Board	Chief Executive Officer	Chief Financial Officer

1. CORPORATE INFORMATION

Saudi Parts Center Company is A Joint Stock Company (the "Company") formerly owned by a single shareholder as a limited liability Company registered in Riyadh; Kingdom of Saudi Arabia under commercial registration number 1010068658 and unified number 70012000018 dated 11 Rajab 1408H (corresponding to 29 February 1988). The registered office is located at Riyadh 11551.

The Company is currently owned 70% by Alkhorayef Group Company (the "Parent Company") and 30% is owned by other shareholders. The ultimate Parent Company is Abdullah Ibrahim Alkhorayef Sons Company, a Saudi Closed Joint Stock Company (the "Ultimate Parent Company") registered in the Kingdom of Saudi Arabia, which has ownership of the Parent Company and thereby ultimate controlling party of Saudi Parts Center Company.

The Company is engaged in repair and maintenance of engines, electric generators and steam generators, wholesale and retail trading of spare parts of truck and heavy transport, agricultural equipment, industrial equipment, construction equipment and machinery.

The condensed consolidated interim financial statements cover the activities of the Company mentioned above and its branches are mentioned below:

Branch	Branch Commercial Registration Number	Date of Registration
Jeddah	4030065611	2 Duh Al-Qi'dah 1409 H
Khamis Mushait	5855017531	22 Rajab 1418 H
Dammam	2050033974	19 Rabi Al-Thani 1419 H
Sakaka	3400008522	10 Ramadhan 1419 H
Hail	3350021174	27 Jumada Al-Ula 1429 H
Riyadh	1010433116	9 Rajab 1436 H

Consolidated Subsidiary

The accompanying condensed consolidated interim financial statements include the Company and its wholly owned subsidiary, MAS Advanced Industry Company.

MAS Advanced Industry Company is a single shareholder limited liability company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010790953 dated 21 Sha'ban 1443H (corresponding to 24 March 2022). It is engaged in repair and maintenance of engines, electric generators and steam generators, wholesale and retail trading of spare parts of truck and heavy transport, agricultural equipment, industrial equipment, construction equipment and machinery. The subsidiary has not yet started its operations, and the share capital is fully paid up amounting to ⃁ 100,000.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The condensed consolidated interim financial statements ("financial statements") have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' ("IAS 34") as 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") and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2025 ("last annual financial statements").

These consolidated financial statements do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

2. BASIS OF PREPARATION (CONTINUED)

2.2 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for obligation in respect of employees' end of services benefits that is measured at present value of defined benefit obligation, which has been actuarially valued using projected unit credit method. Further, these consolidated financial statements have been prepared using the accrual basis of accounting and going concern concept.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyals (⃁) which is also the functional currency of the Company and its subsidiary. All amounts have been rounded to nearest ⃁, unless otherwise indicated elsewhere.

2.4 Basis of consolidation

These consolidated financial statements include the financial statements of the Company, and the entity controlled by the Company (its subsidiary) (together reported for the consolidated financial statements purpose as "the Group").

3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

In preparing these consolidated financial statements, management is required to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

The significant judgments made by management in applying the Group's accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the consolidated financial statements for the year ended 31 December 2025.

4. NEW AND AMENDED STANDARDS, FORTHCOMING AND CURRENTLY EFFECTIVE

New standards, interpretations and amendments not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The Group is currently working to identify the impacts these new standards, interpretations and amendments will have on the consolidated financial statements.

i) Other accounting standards

Standards, interpretations, amendments	Effective date
IFRS 19 – Subsidiaries without public accountability: disclosures	1 January 2027
Translation to a hyperinflationary presentation currency – Amendments to IAS 21	1 January 2027
IFRS 20 – Regulatory Assets and Regulatory Liabilities	1 January 2029
Amendments to illustrative examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37	Not yet disclosed
Amendments to the Fair Value Option for Investments in Associates and Joint Ventures in IAS 28	Not yet disclosed
Sale or contribution of assets between an investor and its associate or joint venture – amendments to IFRS 10 and IAS 28	Not yet disclosed

ii) IFSR 18 – Presentation and disclosure in financial statements

IFRS 18 – Presentation and disclosure in financial statements	1 January 2027

4. NEW AND AMENDED STANDARDS, FORTHCOMING AND CURRENTLY EFFECTIVE (CONTINUED)

a) Structure of the Statement of Profit or Loss

IFRS 18 requires entities to classify all income and expenses into categories in the statement of profit or loss - namely operating, investing, financing, zakat income tax and discontinued operations. Classification of income and expenses depends on the main business activities of an entity. The Group has determined that it does not have a specified main business activity of investing in assets and/or providing financing to customers.

Neither net profit nor net assets will change as a result of the Group's adoption of IFRS 18. The Group will be required to present two newly defined subtotals, which are 'operating profit' and 'profit or loss before financing and income taxes', However, operating profit subtotal differs from the current operating profit subtotal presented by the Group. The main business activities of the group will be classified in operating segments. Also, management is continuing to assess the expected presentation and disclosure impacts of IFRS 18.

b) Management- defined performance measures

Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the financial statements that communicate to users management's view of an aspect of the financial performance of the entity as a whole. The Group will be required to disclose specific information about MPMs in a single note in the financial statements.
The Group is in process to determine which public communications should be considered when identifying MPMs. MPMs relate to the same reporting period as the financial statements. Therefore, MPMs disclosed by the Group following adoption of IFRS 18 will be determined based on public communications issued by the Group relating to the 2027 interim reporting period.

c) Principles of aggregation and disaggregation

IFRS 18 provides enhanced principles on how to group information in the financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.
The Group is assessing the grouping of items on the basis of similar and dissimilar characteristics. Based on this assessment, it will present line items in the primary financial statements that provide useful structured summaries and disclose additional material information in the notes.
The Group is also assessing line items currently labelled as 'other' and will use more informative labels.

d) Consequential amendments

IFRS 18 introduces consequential amendments to IAS 7, which require entities to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group currently uses profit for the year/period as the starting point of the reconciliation to cash flows from operating activities. Certain adjusting items included in the reconciliation will change as a result of the new starting point.
Management is continuing to assess the expected presentation and disclosure impacts of IFRS 18. The quantitative impact is not yet reasonably estimable, and the Group expects to provide a further update in its annual consolidated financial statements for the year ending 31 December 2026.

5. PROPERTY AND EQUIPMENT

As at 30 June 2026 (Unaudited)	**Land**	**Motor vehicles**	**Leasehold improvements**	**Furniture and fixtures**	**Computers**	**CWIP***	**Total**
Cost							
At 1 January 2026	**6,193,169**	**5,068,608**	**2,995,796**	**4,476,480**	**3,042,630**	**13,883,346**	**35,660,029**
Additions	--	**122,244**	--	--	**100,642**	**1,264,618**	**1,487,504**
At 30 June 2026	**6,193,169**	**5,190,852**	**2,995,796**	**4,476,480**	**3,143,272**	**15,147,964**	**37,147,533**
Accumulated depreciation							
At 1 January 2026	--	**4,674,674**	**1,857,419**	**4,099,558**	**2,340,408**	--	**12,972,059**
Charge for the period	--	**136,998**	**177,786**	**130,719**	**35,569**	--	**481,072**
At 30 June 2026	--	**4,811,672**	**2,035,205**	**4,230,277**	**2,375,977**	--	**13,453,131**
Net book value							
At 30 June 2026	--	**379,180**	**960,591**	**255,072**	**758,426**	**15,147,964**	**23,694,402**
At 31 December 2025(audited)	**6,193,169**	**393,934**	**1,138,377**	**376,922**	**702,222**	**13,883,346**	**22,687,970**

As at 30 June 2025 (Unaudited)	Land	Motor vehicles	Leasehold Improvements	Furniture and fixtures	Computers	CWIP	Total
Cost							
At 1 January 2025	6,193,169	5,068,608	2,583,934	4,426,915	2,886,415	7,395,557	28,554,598
Additions	--	--	178,546	7,482	400	1,780,399	1,966,827
Disposals	--	--	(536,285)	--	--	--	(536,285)
At 30 June 2025	6,193,169	5,068,608	2,226,195	4,434,397	2,886,815	9,175,956	29,985,140
Accumulated depreciation							
At 1 January 2025	--	4,279,671	1,678,597	4,015,412	2,108,384	--	12,082,064
Charge for the period	--	258,184	124,727	38,780	114,451	--	536,142
Disposal	--	--	(536,285)	--	--	--	(536,285)
At 30 June 2025	--	4,537,855	1,267,039	4,054,192	2,222,835	--	12,081,921
Net book value							
At 30 June 2025	6,193,169	530,753	959,156	380,205	663,980	9,175,956	17,903,219

5. PROPERTY AND EQUIPMENT (CONTINUED)

The depreciation charge has been allocated as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
Selling and distribution expenses (note 18)	**195,978**	900,946	435,626
General and administrative expenses (note 19)	**56,280**	78,652	41,219
Cost of sales (note 17)	**228,814**	147,033	59,297
	481,072	2,657,272	536,142

* The capital work in progress represents construction of the new facility in Riyadh which is expected to be completed by year end 2026. The capital work in progress includes capitalized borrowing costs amounting to SR 733,405.

6. RIGHT-OF-USE ASSETS AND LEASES LIABILITIES

The Group has lease agreements for stores and warehouses in various locations. Lease terms for the below leases ranges from 3 to 5 years with renewal and termination options. The Group considers the option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. Payments related to low value and short-term leases are recognised as an expense on a straight-line basis over the lease term.

Right-of-use assets
Set out below are the carrying amounts of right-of-use assets recognised and the movement during the period/year:

	30 June 2026 (Unaudited)	31 December 2025 (audited)
Cost		
At the beginning of the period/year	**5,568,985**	6,064,384
Additions for the period/year	**2,413,781**	2,483,378
Termination of lease agreement during the period/year	--	(3,155,553)
Lease modification during the period/year	--	176,776
At the end of the period/year	**7,982,766**	5,568,985
Accumulated depreciation		
At the beginning of the period/year	**2,822,867**	4,715,722
Charge for the period/year	**989,894**	1,316,290
Termination during the period/year	--	(3,155,553)
Lease modification during the period/year	--	(53,592)
	3,812,761	2,822,867
At the end of the period/year	**4,170,005**	2,746,118

6. RIGHT-OF-USE ASSETS AND LEASES LIABILITIES (CONTINUED)

Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movement during the period/year:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
At the beginning of the period/year	**2,636,820**	1,066,344
Additions	**2,413,781**	2,483,378
Interest charge	**102,857**	122,354
Payments	**(1,166,134)**	(1,384,935)
Termination during the period/year	--	349,679
At the end of the period/year	**3,987,324**	2,636,820
Classified as:		
Current portion	**1,372,497**	1,576,639
Non-current portion	**2,614,827**	1,060,181
	3,987,324	2,636,820

7 INVENTORIES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Finished Goods	**47,285,244**	44,663,017
Less: net realizable value adjustment to inventories	**(7,104,761)**	(6,930,394)
	40,180,483	37,732,623

Movements in the net realizable value (NRV) adjustment to inventories are as below:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
At the beginning of the period/year	**6,930,394**	2,825,254	2,825,254
Charge for the period/year	**174,367**	4,105,140	658,086
At the end of the period/year	**7,104,761**	6,930,394	3,483,340

During the period ended 30 June 2026, inventories and NRV adjustments of ⃁ 29,408,006 (30 June 2025: ⃁ 31,496,316) and ⃁ 174,367 (30 June 2025: ⃁ 658,086) respectively were recognised as an expense and included in cost of sales.

8 PREPAYMENT AND OTHER CURRENT ASSETS

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Advance to suppliers	**4,312,303**	2,914,991
Prepaid expenses	**2,514,720**	388,699
Employee receivables	**473,983**	329,227
Others	**1,020,138**	581,631
	8,321,144	4,214,548

9 TRADE RECEIVABLES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Trade receivables – external parties	**27,897,722**	27,755,433
Trade receivables – related parties (see note 10)	**1,186,518**	9,673
	29,084,240	27,765,106
Less: provision for expected credit losses	**(3,444,637)**	(2,657,272)
	25,639,603	25,107,834

<u>Terms and conditions of the above trade receivable:</u>
Trade receivables are non-interest bearing and are generally on terms of 30 days to 90 days. It is not the practice of the Group to obtain collateral over receivables and the vast majority are, therefore, unsecured.

Movement of provision for expected credit losses of trade receivables:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
At the beginning of the period/year	**2,657,272**	1,642,908	1,642,908
Charge during the period/year	**787,365**	1,014,364	519,622
At the end of the period/year	**3,444,637**	2,657,272	2,162,530

The following table provides information about the exposure to credit risk and ECLs for trade receivables from customers:

30 June 2026

	Gross carry Amount	***Loss allowance***	***%***
Not due	**7,306,415**	**229,316**	**3.1%**
1–90 days past due	**7,586,377**	**317,095**	**4.2%**
90–180 days past due	**4,512,462**	**30,727**	**0.7%**
180–270 days past due	**3,130,432**	**34,141**	**1.1%**
270–360 days past due	**456,274**	**1,384**	**0.3%**
More than 360 days	**6,092,280**	**2,831,974**	**46.5%**
Total	**29,084,240**	**3,444,637**	**11.84%**

31 December 2025

	Gross carry Amount	*Loss allowance*	*%*
Not due	8,105,090	270,764	3.3%
1–90 days past due	7,311,568	70,691	1.0%
90–180 days past due	1,893,861	87,393	4.6%
180–270 days past due	2,978,092	64,984	2.2%
270–360 days past due	2,229,156	127,991	5.7%
More than 360 days	5,247,339	2,035,449	38.8%
Total	27,765,106	2,657,272	9.6%

10. RELATED PARTIES TRANSACTIONS AND BALANCES

10.1 Related party transactions

Related parties represent controlling shareholders, board of directors, and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

The following are the details of major related party transactions.

			Amount of transactions for the period ended	
Name of related party	**Related party**	**Nature of Transactions**	**30 June 2026 (Unaudited)**	30 June 2025 (Unaudited)
Alkhorayef Group Company	Shareholder	Rent	**300,868**	447,050
		Shared service	**776,190**	2,352,641
		Payment made on behalf of the Group	**7,865,808**	2,719,736
Alkhorayef for Sale, Maintenance & Repair of Oil Production Equipment Company	Subsidiary of the Parent Company	Sales	**1,596,307**	1,219,907
		Receipts	**(508,977)**	(502,193)
Alkhorayef Water & Power Technologies Company	Subsidiary of the Parent Company	Sales	**69,344**	18,017
		Receipts	--	(75,061)
Alkhorayef Commercial Company	Subsidiary of the Parent Company	Sales	**4,830**	9,100
		Purchases	**2,376,733**	2,954,818
		Payments	**(3,627,164)**	(660,755)
Alkhorayef Agriculture Project Company	Related party under common control	Sales	**15,341**	13,439
		Receipts	**--**	(37,073)
Alkhorayef Printing Solutions	Subsidiary of the Parent Company	Purchases	**109,873**	--
		Payments	**(2,233)**	--
Alkhorayef Industries Company	Subsidiary of the Parent Company	Sales	**1,117,849**	--
		Receipts	**(1,117,849)**	--
		Purchases	**6,185**	10,557
		Payments	**(83,688)**	--

10.2 Related party balances

The breakdown of amounts due from related parties are as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Amounts due from related parties		
Alkhorayef for Sale, Maintenance and Repair of Oil Production Equipment Company	**1,097,003**	9,673
Alkhorayef Water & Power Technologies Company	**69,344**	--
Alkhorayef Agriculture Project Company	**15,341**	--
Alkhorayef Commercial Company	**4,830**	--
	1,186,518	9,673

10. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

10.2 Related party balances(continued)

The above balances are unsecured, interest free and settled within 12 months. The management estimate the allowance on due from related parties balance at the reporting date at an amount equal to lifetime ECL.

No significant receivable balance from a related party at the reporting date are past due, taking into account the historical default experience and the future prospects of the industries in which the related parties operate, the management considers that related party balances are not impaired.

Sales to and purchases from related parties are made on mutually agreed terms.

There has been no change in estimation techniques or significant assumptions made during the current reporting period in assessing the allowances for balances due from related parties.

ii) Due to related parties under trade and other payables

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Alkhorayef Commercial Company	**4,337,018**	5,587,449
Alkhorayef Printing Solutions	**115,863**	8,223
Alkhorayef Industries Company	**7,112**	84,615
	4,459,993	5,680,287

iii) Amounts due to a shareholder

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Alkhorayef Group Company	**9,884,756**	941,890
	9,884,756	941,890

<u>Terms and conditions of the above payable amounts:</u>

These amounts are generally payable upon demand.

10.3 Key management personnel compensation

Key management personnel of the Group comprise of key members of the management having authority and responsibility for planning, directing, and controlling the activities of the Group. The compensation to key management is shown below:

	For the six-month period ended	
	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Short-term employee benefits	**225,000**	441,564
Post employment benefits	**19,058**	5,574
	244,058	447,138

11. CASH AND CASH EQUIVALENTS

	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
Bank balances	**5,647,145**	2,339,974	812,863
Cash in hand	**3,008,471**	2,083,189	3,719,546
	8,655,616	4,423,163	4,532,409

12. OTHER RESERVE AND STATUTORY RESERVE

The statutory reserve included in the consolidated financial statements as at 1 January 2025 was required under the Company's previous by-laws. However, following the amendments to the Company's by-laws, the requirement to maintain a statutory reserve has been removed. Accordingly, the shareholders resolved to transfer the statutory reserve balance to other reserves during the period ended 30 June 2025.

13. EMPLOYEES END OF SERVICE BENEFITS

Changes in the present value of the defined benefit obligation:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
Opening balance	**8,061,270**	9,534,833	9,534,833
Current service cost	**549,549**	1,063,049	586,444
Finance cost	--	429,445	--
Benefits paid	**(498,289)**	(3,422,704)	(660,427)
Remeasurement losses in OCI	--	456,647	--
Closing balance	**8,112,530**	8,061,270	9,460,850

14. TRADE AND OTHER PAYABLES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Trade payables*	**8,636,726**	5,447,656
Due to related parties (note 10)	**4,459,993**	5,680,287
Accrued expenses	**3,819,190**	3,251,181
Penalties	**655,146**	696,000
VAT payable	**691,512**	361,748
Advance from customers	**27,843**	59,030
Others	**630,963**	501,313
	18,921,373	15,997,215

*Trade payables are non-interest bearing and are normally settled within 12 months.

15. LOANS AND BORROWINGS

The Group has secured credit facility in the form of short-term finance from Saudi Investment Bank and Riyadh Bank, with a limit of ⃁ 30,000,000 from each of both banks for its working capital requirements (31 December 2025: ⃁ 30,000,000). These facility bears finance charges at market interest rate and are secured by promissory notes signed by the Company. These credit facilities are granted under Islamic Murabaha financing for the purchase and sale of commodities.

As at 30 June 2026, the utilized amount of the facility was ⃁ 17,191,596 (31 December 2025: ⃁ 10,797,938) and ⃁ 24,192,850 (31 December 2025: ⃁ 25,933,457) from Saudi Investment Bank and Riyadh Bank, respectively.

Below is the movement of the loans and borrowings:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
Opening balance	**36,731,395**	13,030,241	13,030,241
Loans obtained during the period/year	**49,688,680**	71,773,235	17,137,983
Payments made during the period/year	**(45,035,629)**	(48,072,081)	(19,252,696)
Closing balance	**41,384,446**	36,731,395	10,915,528

Finance costs on these loans and related payments for the year are disclosed in the statement of cash flows.

16. REVENUE

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue:

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Types of spare parts products		
Heavy equipment spare parts	**34,179,985**	27,489,458
Truck spare parts	**2,408,760**	10,315,156
Turbocharger spare parts	**4,814,751**	5,843,734
	41,403,496	43,648,348

Geographical markets
The Group operates exclusively in the Kingdom of Saudi Arabia and therefore no additional geographical market information is presented in these consolidated financial statements.

Timing of revenue recognition

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Goods transferred at a point in time	**40,568,645**	42,813,565
Services provided at a point in time	**834,851**	834,783
	41,403,496	43,648,348

16. REVENUE (CONTINUED)

Revenue per type of customer

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Revenue		
Private customers	**37,511,542**	41,194,654
Related party	**2,757,043**	1,256,081
Government	**1,134,911**	1,197,613
	41,403,496	43,648,348

17. COST OF SALES

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Material cost	**29,408,006**	31,496,316
Employee cost	**1,176,141**	1,580,977
NRV adjustment to inventories	**174,367**	658,086
Depreciation of property and equipment	**228,814**	59,297
Depreciation on right-of-use assets	**143,546**	59,591
Others	**194,132**	288,951
	31,325,006	34,143,218

18. SELLING AND DISTRIBUTION EXPENSES

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Employee related costs	**4,799,084**	6,275,614
Communication and courier	**1,017,002**	1,072,485
Depreciation on right-of-use assets	**846,348**	584,933
Sales commission	**231,981**	323,112
Depreciation	**195,978**	435,626
Repairs and maintenance	**140,001**	122,864
Travel and transportation	**93,728**	44,516
Rent	**68,285**	27,605
Insurance	**60,000**	53,125
Advertising and promotional	**14,452**	82,097
Others	**463,229**	559,701
	7,930,088	9,581,678

19. GENERAL AND ADMINISTRATIVE EXPENSES

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Employee related costs	**2,639,121**	3,019,233
Rent	**245,110**	419,445
Communication and courier	**291,057**	243,198
Professional fees	**440,790**	256,932
Bank charges	**239,735**	146,759
Board of Directors' remuneration	**196,000**	167,000
Depreciation	**56,280**	41,219
Repairs and maintenance	**9,396**	64,968
Travel and transportation	**32,056**	55,493
Others	**66,847**	207,402
	4,216,392	4,621,649

20. FINANCE COSTS

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Interest on short term loans	**601,245**	396,690
Interest charge on lease liability	**102,857**	40,210
Foreign exchange loss, net	**277,384**	245,175
	981,486	682,075

21. ZAKAT

	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
At the beginning of the period/year	**471,137**	1,098,984	1,098,984
Charge for the period/year	**151,892**	428,141	411,941
Paid during the period/year	**(418,997)**	(1,055,988)	(1,055,988)
At the end of the period/year	**204,032**	471,137	454,937

During the period ended 30 June 2026, the Group zakat charge was ⃁ 151,892 (30 June 2025: ⃁ 411,941).

Until the year ended 31 December 2020, zakat provision was being calculated and provided for by Abdullah Ibrahim Alkhorayef Sons Company (the "Ultimate Parent Company") on a consolidated basis including its subsidiaries in accordance with Saudi Arabian fiscal regulations.

The declarations for all years up to 2025 have been filed by the Group with Zakat, Tax and Customs Authority (ZATCA). However, no assessment has been raised yet.

21. ZAKAT (CONTINUED)

VAT assessment

The Group through the Ultimate Parent Group has filed its monthly Value Added Tax (VAT) returns with Zakat, Tax and Customs Authority (“ZATCA’’) for all taxable periods up to June 2022. From July 2022 onwards, the Group has filed its own monthly Value Added Tax (VAT) returns with Zakat, Tax and Customs Authority (“ZATCA’’).

The Group is submitting its VAT returns consistently on a monthly basis and has received the final assessment up to the year 31 December 2025 and no additional provision is required for any of the years assessed.

22. BASIC AND DILUTED LOSS PER SHARE

Basic loss per share (“EPS”) is calculated by dividing the profit for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period.

Diluted loss per share is same as basic loss per share as the Group does not have any convertible securities or diluted instruments to exercise.

Basic and diluted loss per share is as follows:

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Loss for the period	**(3,905,737)**	(6,267,793)
Weighted average number of shares	**3,000,000**	3,000,000
Basic and diluted loss per share (⃁)	**(1.30)**	(2.09)

There has been no item of dilution affecting the weighted average number of shares.

23. CONTINGENCIES

The Group’s bankers have issued, on its behalf, letter of guarantee amounting to Nil (31 December 2025: Nil), and letter of credit amounting to Nil (31 December 2025: Nil), in the normal course of business, which are outstanding at the reporting date.

24. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the principal or the most advantageous market must be accessible to the Group.

The Group’s financial assets consist of cash and cash equivalents and trade and other receivables, and its financial liabilities consist of trade payables, lease liabilities, accruals and amount due to a shareholder.

There is no change in the Group's financial risk management objectives and policies since the last annual financial statements. The fair values of the financial instruments have been assessed by management to be approximate to their carrying amounts due to their short-term nature.

24. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Financial assets		
Amortized cost		
Trade receivables	**25,639,603**	25,107,834
Other receivables	**1,494,121**	910,858
Cash and cash equivalents	**8,655,616**	4,423,163
	35,789,340	30,441,855
Financial liabilities		
Amortized cost		
Trade and other payables	**18,921,373**	15,997,215
Due to related parties	**9,884,756**	941,890
Lease liabilities	**3,987,324**	2,636,820
	32,793,453	19,575,925

25. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and to maintain an optimal capital structure to reduce the cost of capital. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of business. The Group manages its capital structure and makes adjustments in light of changes in economic conditions. No changes in the objectives, policies or processes for managing capital were made during the six-month period ended 30 June 2026.

26. SEGMENT INFORMATION

The Group is solely engaged in retail trading of consumer goods and operates completely within the Kingdom of Saudi Arabia.

The Group is required to determine and present its operating segments based on the way in which financial information is organized and reported to the chief operating decision-maker (CODM). The CODM has been identified as the Board of Directors, as they make the key operating decisions of the Group and are responsible for allocating resources and assessing performance.

Key internal reports received by the CODM, primarily the management accounts, focus on the performance of the Group as a whole. The operations of all elements of the business are driven by the retail sales environment and hence have fundamentally the same economic characteristics. All operational decisions made are focused on the performance and growth of the retail outlets and the ability of the business to meet the supply demands of the stores.

Performance is measured by the CODM based on profit before Zakat as reported in the management accounts. Management believes that this measure is the most relevant in evaluating the results of the Group. As such, assets and segment liabilities are neither included in the internal management reports nor provided regularly to the management.

The Group has considered the overriding core principles of IFRS 8 'Operating segments' as well as its internal reporting framework, management and operating structure. The Directors' conclusion is that the Group has one operating segment, that of retailing.

27. SUBSEQUENT EVENT AND CURRENT GEOPOLITICAL SITUATION

No events have occurred subsequent to the reporting date and before the issuance of these condensed consolidated interim financial statements which require adjustment or disclosure, except as disclosed below, in these condensed consolidated interim financial statements.

The Group continues to monitor the regional geopolitical developments and their potential impact on Saudi Arabia given that the majority of the Group’s operations are conducted within Saudi Arabia. While the situation remains evolving, the Group maintains a robust operational framework to manage associated risks. These developments have not had a material impact on Group's financial statements for the period ended 30 June 2026; however, given the evolving nature of the conflict, the potential long-term impact on the Group’s business will continue to be assessed on future reporting dates.

Additionally, The Board of Directors, at its meeting held on 7 July 2026, resolved to close MAS Advanced Industry Company, a subsidiary of the Company.

28. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorized to issue by the Board of Directors of the Group on 10 Rabi ul Awal, 1448H (corresponding to 23 August 2026).