BAAZEEM TRADING COMPANY
(JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026
AND INDEPENDENT AUDITOR'S REVIEW REPORT

BAAZEEM TRADING COMPANY
(JOINT STOCK COMPANY)
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FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026
AND INDEPENDENT AUDITOR'S REVIEW REPORT

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

TO THE SHAREHOLDERS OF BAAZEEM TRADING COMPANY (JOINT STOCK COMPANY) RIYADH, KINGDOM OF SAUDI ARABIA

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated financial statements of Baazeem Trading Company (the "Company") and its subsidiaries (collectively referred to the "Group") as of 30 June 2026, which comprises:

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

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard - "Interim Financial Reporting" ("IAS 34") - that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

SCOPE OF REVIEW

Except as explained in the following paragraph, 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.

BASIS FOR QUALIFIED CONCLUSION

As referred to in Note (2) to the accompanying interim condensed consolidated financial statements, which relates to information about the Group concerning Baazeem Trading Company's investment in Baazeem Trading Establishment in Qatar, it was noted that the investment represents a sole proprietorship under the name of Mr. Salem Saleh Baazeem (a major shareholder and Chairman of the Board of Directors), since 2008. The Company's management prepared a technical memo to set out the accounting basis, based on the conceptual framework for financial reporting, on which the Company relies in considering the investment existing in Qatar as an asset belonging to the Company and recognizing it in its financial statements, despite the fact that the legal registration is in the name of Mr. Salem Saleh Baazeem (a major shareholder and Chairman of the Board of Directors). The Company has currently concluded the following: Based on an analysis of the available facts and documents, the Company's management believes that the investment represents a present economic resource controlled by the Company as a result of past events and has the potential to produce economic benefits for the Company. One of the key aspects of the assessment was the legal aspect and an irrevocable waiver provided by Mr. Salem Saleh Baazeem in favor of Baazeem Trading Company. However, the Company is still in the process of obtaining an independent legal opinion from a Qatari legal advisor to assess the enforceability of the Company's rights in the investment, including the possibility of converting Baazeem Trading Establishment (a sole proprietorship) owned by Mr. Salem Saleh Baazeem into a branch of Baazeem Trading Company. Consequently, we were unable to complete our review of the legal aspects and rights related to the investment in Baazeem Trading Establishment (a sole proprietorship). Had we been able to complete our review of the investment in Baazeem Trading Establishment (a sole proprietorship), matters might have come to our attention indicating that adjustments might be necessary to the interim condensed consolidated financial statements.

PKF Al Bassam
Chartered Accountants

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

TO THE SHAREHOLDERS OF BAAZEEM TRADING COMPANY (JOINT STOCK COMPANY) RIYADH, KINGDOM OF SAUDI ARABIA

QUALIFIED CONCLUSION

Except for the adjustments to the interim condensed consolidated financial statemnets that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects,in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

OTHER MATTER

The Group's financial statements for the financial year ended 31 December 2025 were audited by another auditor, who issued an unmodified openion dated 19 Shawwal 1447H, corresponding to 7 April 2026. The Group's financial statements for the six-month period ended 30 June 2025 were reviewed by another auditor, who issued an unmodified conclusion dated 13 Safar 1447H, corresponding to 7 August 2025.

For PKF Albassam
Chartered Accountants

Abdulellah Hamad Al Bassam
Certified Public Accountant
License No. 703
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Corresponding to: 16 August 2026G

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BAAZEEM TRADING COMPANY
(JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Note	30 June 2026	31 December 2025
Assets		**(Unaudited)**	**(Audited)**
Non-current assets:			
Property, plant and equipment		**30,114,634**	30,995,992
Right-of-use assets		**3,673,121**	4,421,709
Intangible assets		**128,461**	154,153
Financial assets at fair value through other comprehensive income	6	**3**	3
Total non-current assets		**33,916,219**	35,571,857
Current assets:			
Inventory	7	**53,188,418**	80,166,469
Trade receivables	8	**126,172,270**	108,588,250
Prepayments and other receivables		**10,858,339**	10,091,031
Cash and cash equivalents	9	**49,106,654**	35,002,703
Total current assets		**239,325,681**	233,848,453
Total assets		**273,241,900**	269,420,310
Equity and liabilities			
Shareholder's equity:			
Share capital		**101,250,000**	101,250,000
Statutory reserve		**30,375,000**	30,375,000
Retained earnings		**81,761,589**	76,321,923
Employees defined benefit obligations remeasurement reserve		**(1,969,623)**	(1,969,623)
Total equity		**211,416,966**	205,977,300
Liabilities			
Non-current liabilities:			
Lease liabilities - non-current portion		**2,707,256**	3,398,203
Employees defined benefit obligations		**7,784,664**	8,269,542
Total non-current liabilities		**10,491,920**	11,667,745
Current liabilities:			
Credit facilities	10	**15,456,889**	19,082,334
Trade payables		**10,951,055**	18,722,580
Accrued expenses and other payables		**21,032,361**	7,526,884
Due to related parties	11.2	**98,302**	98,302
Lease liabilities - current portion		**1,001,958**	1,071,686
Zakat payable	13	**2,792,449**	5,273,479
Total current liabilities		**51,333,014**	51,775,265
Total liabilities		**61,824,934**	63,443,010
Total equity and liabilities		**273,241,900**	269,420,310

Finance Department	Chief Executive Officer	Chairman of BOD

The accompanying notes from (1) to (24) form an integral part of these Interim condensed consolidated financial statements.

BAAZEEM TRADING COMPANY
(JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Note	For the three-month period ended		for the six-month period ended	
		30 June 2026 (unaudited)	30 June 2025 (unaudited)	30 June 2026 (unaudited)	30 June 2025 (unaudited)
Revenue	12	**72,063,657**	62,179,232	**147,194,308**	132,850,395
Cost of revenue		**(43,726,438)**	(35,777,613)	**(89,888,083)**	(78,483,477)
Gross profit		**28,337,219**	26,401,619	**57,306,225**	54,366,918
Selling and marketing expenses		**(13,916,307)**	(13,240,755)	**(28,071,979)**	(26,738,550)
General and administrative expenses		**(6,639,202)**	(6,634,229)	**(10,882,470)**	(11,621,690)
Profit from operations		**7,781,710**	6,526,635	**18,351,776**	16,006,678
Other income		**736,609**	457,232	**1,269,632**	867,998
Finance cost		**(201,717)**	(114,058)	**(344,242)**	(220,057)
Profit before zakat for the period		**8,316,602**	6,869,809	**19,277,166**	16,654,619
Zakat	13	**(1,350,000)**	(1,200,000)	**(2,700,000)**	(2,350,000)
Net profit for the period		**6,966,602**	5,669,809	**16,577,166**	14,304,619
Other comprehensive income:					
Other comprehensive income items that will not be reclassified subsequently to profit or loss:					
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income for the period		**6,966,602**	5,669,809	**16,577,166**	14,304,619
Earnings per share (Saudi Riyals)					
Basic and diluted earnings per share from net profit for the period	14	**0.07**	0.06	**0.16**	0.14

Finance Department	Chief Executive Officer	Chairman of BOD

The accompanying notes from (1) to (24) form an integral part of these Interim condensed consolidated financial statements.

BAAZEEM TRADING COMPANY
(JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Share capital	**Statutory reserve**	**Retained earnings**	**Employees defined benefit obligations remeasurement reserve**	**Total shareholder's equity**
Balance as at 1 January 2025 (Audited)	101,250,000	30,375,000	68,886,657	(1,354,419)	199,157,238
Net profit for the period	-	-	14,304,619	-	14,304,619
Dividends (Note 21)	-	-	(11,137,500)	-	(11,137,500)
Balance as at 30 June 2025 (Unaudited)	101,250,000	30,375,000	72,053,776	(1,354,419)	202,324,357
Balance as at 1 January 2026 (Audited)	**101,250,000**	**30,375,000**	**76,321,923**	**(1,969,623)**	**205,977,300**
Net profit for the period	-	-	**16,577,166**	-	**16,577,166**
Dividends (Note 21)	-	-	**(11,137,500)**	-	**(11,137,500)**
Balance as at 30 June 2026 (Unaudited)	**101,250,000**	**30,375,000**	**81,761,589**	**(1,969,623)**	**211,416,966**

Finance Department	Chief Executive Officer	Chairman of BOD

The accompanying notes from (1) to (24) form an integral part of these Interim condensed consolidated financial statements.

BAAZEEM TRADING COMPANY
(JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026
(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

		For the six-month period ended	
		30 June 2026	30 June 2025
Cash flows from operating activities:	Note	(Unaudited)	(Unaudited)
Profit before zakat for the period		**19,277,166**	16,654,619
Adjustments to non-cash transaction items:			
Depreciation of property, plant and equipment		**1,496,130**	1,544,477
Depreciation of right-of- use assets		**748,588**	82,660
Amortization of Intangible assets		**25,692**	131,999
Capital gains from the disposal of property, plant and equipment		**(27,867)**	(6,250)
Impairment of inventories	7	**1,462,010**	1,247,823
Employee defined benefit obligation expenses		**600,000**	600,000
Finance cost		**344,242**	220,057
		23,925,961	20,475,385
Changes in working capital			
Trade Receivables and other debit balances		**(18,351,328)**	(10,125,967)
Inventory		**25,516,041**	(845,909)
Trade payables		**(7,771,525)**	1,928,185
Accrued Expenses and other credit balances		**13,482,650**	
Finance cost paid		**(149,937)**	(161,591)
		36,651,862	11,270,103
Zakat paid	13	**(5,181,030)**	(4,591,556)
Employee defined benefit obligation paid		**(1,084,878)**	(341,050)
Net cash flow generated from operating activities		**30,385,954**	6,337,497
Cash flows from investing activities:			
Additions to property, plant and equipment		**(614,905)**	(130,878)
Proceeds from the disposal of property, plant and equipment		**28,000**	21,851
Net cash flow used in investing activities		**(586,905)**	(109,027)
Cash flows from financing activities:			
Repayments of banks credit facilities	10	**(42,427,238)**	(46,082,811)
Proceeds from banks credit facilities	10	**38,801,793**	49,440,373
Lease Liabilities paid		**(932,153)**	
Dividends paid		**(11,137,500)**	(11,137,500)
Net cash flow used in financing activities		**(15,695,098)**	(7,779,938)
Net change in cash and cash equivalents		**14,103,951**	(1,551,468)
Cash and cash equivalents at the beginning of the period		**35,002,703**	37,858,364
Cash and cash equivalents at the end of the period	9	**49,106,654**	36,306,896
Non-cash transaction:			
Inventory write-off	7	**1,418,659**	1,247,823

Finance Department	Chief Executive Officer	Chairman of BOD

The accompanying notes from (1) to (24) form an integral part of these Interim condensed consolidated financial statements.

1. COMPANY INFORMATION:

A. Establishment of the Company

Baazeem Trading Company is a Saudi joint stock company (the "Company" or the "Parent Company") operating under Commercial Registration No. 1010017281, dated 11 Sha'ban 1398H, (corresponding to 17 July 1978), and Unified Number 7000385869. The Company was converted from a limited partnership into a closed Saudi joint stock company on 12 Safar 1429H, (corresponding to 19 February 2008G). It was subsequently converted into a listed Saudi joint stock company on 19 Rabi' II 1438H, (corresponding to 17 January 2017).

On 27 Safar 1438H, corresponding to 27 November 2016, the Company's Board of Directors and the shareholders at the Extraordinary General Assembly resolved to offer 3,037,500 shares, representing 30% of the Company's shares, on the Parallel Market. On 19 Rabi' II 1438H, corresponding to 17 January 2017, the Board of the Capital Market Authority issued a resolution approving the prospectus of Baazeem Trading Company, a listed Saudi joint stock company.

On 28 November 2019, the Capital Market Authority approved the Company's application dated 8 October 2019G to transfer from the Parallel Market to the Main Market. The Company's shares were listed and commenced trading on the Main Market effective 4 December 2019.

The Company's registered head office is located at Al Murabba District, King Faisal Street, P.O. Box 2156, Riyadh 11451, Kingdom of Saudi Arabia.

B. Share Capital of the Company

The share capital of the Company amounts to SR 101,250,000 consisting of 101,250,000 shares with a nominal value of SR 1 per share. The founders subscribed to the entire share capital of the Company as in-kind shares.

On 2 Safar 1446H (corresponding to 6 August 2024), the company's Board of Directors and the shareholders, in the Extraordinary General Assembly, approved the stock split, changing the number of shares from 10,250,000 shares with a nominal value of SAR 10 per share to 101,250,000 shares with a nominal value of SAR 1 per share. There was no change in the company's share capital before or after the stock split.

C. Nature of the company's activity

The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") include wholesale of coffee and tea products, wholesale of food items and drinks, wholesale of cosmetics and beauty soaps, wholesale of soaps and detergents, wholesale of raw plastic materials, rubber, and industrial fibers, general stores having a variety of goods, and sale of tools and plastic materials (including bags).

D. Financial year

The company's financial year is 12 months from the beginning of January until the end of December each calendar year, the accompanying interim condensed consolidated statements for the six-month period ended 30 June 2026.

E. Presentation currency and activity

The interim condensed consolidated financial statements are prepared in Saudi Riyals (SAR), which is the Group's functional and presentation currency. All amounts have been rounded to the nearest Saudi Riyal, unless otherwise stated.

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

2. GROUP INFORMATION

The accompanying interim condensed consolidated financial statements comprise the separate financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2026 (the Company and its subsidiaries are hereinafter collectively referred to as the "Group").

Name of subsidiary	Legal form	Country of incorporation	Commercial Registration No.	Main Activity	Capital	Ownership % as at 30 June 2026	Ownership % as at 31 December 2025
Baazeem Trading Establishment (A)	Sole Proprietorship	Qatar	20818	Trading in household utensils, and trading in cleaning materials, tools, and equipment.	QAR 30,000	%100	%100
Top Vision for Industry Company (B)	Single-Person Limited Liability Company	Jeddah, Kingdom of Saudi Arabia	4042007183	Manufacturing paper bags, tissue paper and napkins, plastics and polymers in their primary forms, and sponge products; land transportation of goods; and general warehousing.	SAR 500,000	%100	%100

A) The investment in Baazeem Trading Establishment is registered in the name of one of the major shareholders (the Chairman of the Board of Directors) since 2008. This investment is approved in the minutes of the Board of Directors and the minutes of the Company's General Assembly. Baazeem Trading Establishment was established in 1998 in the State of Qatar.

B) On 2 March 2025, the Board of Directors of Baazeem Trading Company resolved to convert one of its branches, namely (Baazeem Industrial Company Factory), into a separate company under the name Top Vision for Industry Company – One Person Limited Liability Company, with a share capital of SAR 500 thousand, wholly owned by Baazeem Trading Company. The approval was ratified by the General Assembly at its meeting held on 30 Dhu al-Qi'dah 1448H, corresponding to 17 May 2025. The Company completed the necessary statutory procedures, and the subsidiary was registered under Commercial Registration No. 4042007183 and Unified Number 7003780132. The assets and liabilities of the branch were transferred from Baazeem Trading Company to Top Vision for Industry Company at their carrying amounts, as the transfer was affected between entities under common control before and after the reorganization. Accordingly, no gain or loss arising from the transfer was recognized in the consolidated financial statements for the year ended 31 December 2025. Therefore, the transfer had no material effect on the Group's results of operations or its financial position as at and for the year ended 31 December 2025.

The following are the branches of the company according to commercial registration:

SN.	Name of branch	Commercial Register No.	Date of commercial registration
1	Jeddah Branch	4030034688	1/8/1402H
2	Dammam Branch	2050106377	26/10/1436H
3	Tabuk Branch	3550036807	26/10/1436H
4	Buraidah Branch	1131056151	26/10/1436H
5	Madinah Al Munawarah Branch	4650079224	26/10/1436H
6	Khamis Mushait Branch	5855068837	26/10/1436H

3. BASIS OF PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3.1 Statement of Compliance with IFRS

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

These interim condensed consolidated financial statements do not include all the information and disclosures required for a complete set of annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). Accordingly, they should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025G.

The interim period is considered an integral part of the full financial year. However, the results of operations for interim periods may not necessarily be indicative of the results of operations for the full year.

3.2 Basis of Measurement

These interim condensed consolidated financial statements have been prepared under the historical cost convention, except for employees' defined benefit plans, which are measured at the present value of future obligations using the projected unit credit method, and financial assets measured at fair value through other comprehensive income (FVOCI).

Management has assessed the Group's ability to continue as a going concern and is satisfied that the Group has adequate resources to continue its operations for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Accordingly, these financial statements have been prepared on a going concern basis.

<u>Use of Estimates</u>

The preparation of these interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

The significant areas of management judgment in applying accounting policies and the key sources of estimation uncertainty are consistent with those disclosed in the Group's annual consolidated financial statements for the year ended 31 December 2025G.

3.3 Basis of Consolidation of the Interim Condensed Consolidated Financial Statements

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiary (collectively referred to as the "Group") as at 30 June 2026.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through 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 current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement 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 arrangements with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time decisions need to be made, including voting patterns at previous shareholders' meetings.

3. BASIS OF PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3.3 Basis of Consolidation of the Interim Condensed Consolidated Financial Statements (Continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the 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 obtains control until the date the Group ceases to control the subsidiary.
Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.
Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.
All intra-group balances, transactions, income, expenses and cash flows arising from transactions between Group entities are eliminated in full upon 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, liabilities, non-controlling interests and other components of equity, and recognizes any resulting gain or loss in the interim condensed consolidated statement of profit or loss. Any retained investment is recognized at fair value.

If the Group loses control of a subsidiary, it:

* Derecognizes the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date control is lost.
* Derecognizes the present value of any non-controlling interests.
* Derecognizes the cumulative translation differences and other amounts previously recognized in equity.
* Recognizes the fair value of the assets received.
* Recognizes the fair value of any investment retained.
* Recognizes any resulting gain or loss in profit or loss.

Reclassification of the Parent Company's share in subsidiaries previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets and liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these interim condensed consolidated financial statements are consistent with those applied in the Group's annual consolidated financial statements for the year ended 31 December 2025G.

5. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

Adoption of International Financial Reporting Standard 18 "Presentation and Disclosure in Financial Statements"
International Financial Reporting Standard 18 "Presentation and Disclosure in Financial Statements" (IFRS 18) is the new standard for the presentation and disclosure of financial statements. It was issued by the International Accounting Standards Board (IASB) on 9 April 2024 and was locally endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA), represented by the Accounting Standards Board, on 26 December 2024G. Its application will be mandatory from the beginning of 2027.

- IFRS 18 replaces International Accounting Standard 1 "Presentation of Financial Statements" (IAS 1), which sets out the requirements for the presentation and disclosure of financial statements. It will result in consequential amendments to IAS 8, which has been renamed "Basis of Preparation of Financial Statements", as well as to IAS 33 and IAS 34.

5. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS (CONTINUED)

- IFRS 18 changes presentation and disclosure requirements only and is not expected to affect the Group's net profit, earnings per share, total assets or liabilities, total equity, or net change in cash and cash equivalents.
- The Company will not early adopt the Standard and is currently assessing the estimated impact of the initial application of IFRS 18 on its interim condensed financial statements. Based on the preliminary assessment, the expected impact of IFRS 18 is described below.

<u>Presentation of the Interim Condensed Statement of Profit or Loss</u>
All items of income and expenses in the interim condensed statement of profit or loss will be classified into one of five categories: operating, investing, financing, zakat, and discontinued operations.
IFRS 18 introduces a requirement to present "operating profit" and "profit or loss before financing, zakat and income taxes", which differs from the current presentation. The Company expects changes to the structure of the interim condensed statement of profit or loss, as follows:

- A new subtotal, "Profit before financing and zakat", will be presented to separately show income from the operating and investing categories.
- Bank charges that are not related to raising financing or changes in interest rates will be reclassified and presented within the operating category.
- The Group presents its operating expenses by function — cost of revenue, selling and marketing expenses, and general and administrative expenses. IFRS 18 requires an entity that presents expenses by function to disclose expenses by nature.

<u>Presentation of the Interim Condensed Statement of Cash Flows</u>
The starting point for the interim condensed statement of cash flows will be "operating profit." Certain adjustment items included in the reconciliation will change as a result of the new starting point.

- Finance costs paid and finance income received will be reclassified and presented within financing activities and investing activities, respectively.
- The net change in cash and cash equivalents will not be affected, and the changes will be limited to classifications.

<u>Aggregation and Disaggregation</u>
IFRS 18 provides enhanced guidance on the principles of aggregation and disaggregation, focusing on aggregating items based on their shared characteristics, including specific presentation or disclosure requirements determined by management. These principles are applied in the financial statements and used to determine the line items presented in the primary financial statements and the information disclosed in the notes.
Management considers the characteristics of assets, liabilities, equity, income, expenses and cash flows when determining which information should be aggregated and which information should be disaggregated.
Accordingly, management will present line items in the primary financial statements that provide useful structured summaries and disclose additional material information in the notes.

<u>Management-Defined Performance Measures</u>
Management-defined performance measures are defined as subtotals of income and expenses that are used in public communications outside the financial statements and are intended to communicate management's view of an aspect of the entity's financial performance as a whole.
The new requirements will require disclosure of specific information about management-defined performance measures in the notes to the financial statements, together with an explanation and reconciliation.
Based on the preliminary assessment, the Company has not identified any financial performance measure as a management-defined performance measure.

<u>Restatement of Comparative Information for 2026</u>
IFRS 18 will be applied retrospectively, and comparative amounts will be restated. In the first annual financial statements in which the Group applies the Standard, it will also be required to present a reconciliation for each line item in the restated comparative statement of profit or loss, between the amounts previously presented under IAS 1 and the restated amounts.

5. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS (CONTINUED)

The comparative period will be the year ended 31 December 2026, which is the reporting period currently under consideration.

Several new amendments to standards, as described below, are effective during the current year; however, they do not have a material impact on the Group's financial statements.

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of amendment	Management's Assessment
IAS 21	Lack of Exchangeability	1 January 2025	The amendments include guidance on determining when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments introduce new disclosure requirements to help users of the financial statements assess the impact of using an estimated exchange rate.	Management has assessed the adoption of these amendments and concluded that they did not have a material impact on the Group's consolidated financial position, financial performance, or cash flows for the current reporting period

5.1 new standards not yet effective

The following standards and amendments have been issued but are not yet effective for the financial year ended 31 December 2025G, and the Group has not early adopted them.

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of amendment	Management's Assessment
IFRS 7 and IFRS 9	Classification and Measurement of Financial Instruments	1 January 2026	The amendments clarify the timing of recognition and derecognition of certain financial assets and financial liabilities at the settlement date, with an exception for purchases or sales of certain financial assets and financial liabilities that meet the conditions of the new exception. The new exception permits the derecognition of certain financial liabilities that are settled through electronic payment systems before the settlement date. The amendments also provide guidance for assessing the contractual cash flow characteristics of financial assets, which applies to all potential cash flows, including those arising from environment-, social- and governance-related targets. In addition, these amendments introduce new disclosure requirements and other consequential updates.	Management has performed an initial assessment and does not expect that the adoption of these amendments will have a material impact on the Group's consolidated financial statements, as the Group's financial instruments and settlement arrangements are not expected to be significantly affected.

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

5. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS (CONTINUED)

5.1 new standards not yet effective (Continued)

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of amendment	Management's Assessment
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027	IFRS 18 replaces IAS 1, which sets out the fundamental presentation and disclosure requirements for financial statements. The changes, which primarily affect the statement of profit or loss, include requirements to classify income and expenses into three new categories — operating, investing and financing — and to present subtotals for operating profit or loss and profit or loss before financing, zakat and income taxes. Furthermore, operating expenses are presented directly on the face of the statement of profit or loss, classified either by nature (e.g., employee benefits), by function (e.g., cost of sales), or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature. IFRS 18 also provides guidance on the aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures, and eliminates classification options for interest and dividends in the statement of cash flows.	Management is currently assessing the impact of IFRS 18. While the standard is expected to result in changes to presentation and disclosures, it is not expected to have a material impact on the recognition or measurement of the Group's assets, liabilities, income, or expenses.
IFRS 19	Subsidiaries without Public Accountability	1 January 2027	IFRS 19 permits eligible subsidiaries to provide reduced disclosures when applying IFRS Accounting Standards. A subsidiary is eligible when its ultimate parent prepares consolidated financial statements for public use in accordance with IFRS Accounting Standards.	Management will assess the applicability of IFRS 19 at the date of adoption. The standard is expected to affect disclosure requirements only and is not expected to have a material impact on the Group's financial position, financial performance, or cash flows.

Management expects that these new interpretations and amendments will be applied to the Group's consolidated financial statements when applicable, and their application may not have any material impact on the Group's consolidated financial statements in the initial period of application.

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6. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Company Name	Country of incorporation	Main activity	Percentage of ownership		Acquisition cost	30 June 2026	31 December 2025
			30 June 2026	31 December 2025		(Unaudited)	(Audited)
Shamil Bank of Yemen and Bahrain - Joint-Stock	Republic of Yemen	Financial	8.96	8.96	10,189,262	**1**	1
Burum Seafood Company - Joint-Stock	Republic of Yemen	Industrial	11.50	11.50	4,317,290	**1**	1
Al-Mawarid Company for Education & Health Services - Joint-Stock	Republic of Yemen	Services	1.70	1.70	3,874,173	**1**	1
					18,380,725	**3**	3

6.1 In light of the Company's Board of Directors' continuous monitoring of the status of investments in the Republic of Yemen, due to the difficult economic conditions that the Republic of Yemen has experienced and continues to experience and their impact on the financial statements, and due to management's inability to determine the impairment in the value of these investments as a result of such circumstances, the Group's management fully wrote off the Company's investments in the Republic of Yemen during the financial year ended 31 December 2019.

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

7. INVENTORY

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Cleaning Materials and Supplies	**34,234,206**	41,044,083
Food Supplies	**15,419,573**	31,239,364
Packing and Packaging Materials	**1,132,800**	1,449,771
Total Inventory	**50,786,579**	73,733,218
Provision for Slow-Moving and Damaged Inventory (7.1)	**(216,753)**	(173,402)
Impairment of Inventory (7.2)	**(616,939)**	(616,939)
Inventory	**49,952,887**	72,942,877
Goods in Transit*	**3,235,531**	7,223,592
	53,188,418	80,166,469

*Goods in transit comprise goods purchased but not physically received as at the date of the interim condensed consolidated financial statements, for which the risks and rewards of ownership had transferred to the Company in accordance with the shipping terms. Accordingly, these goods have been included in inventories. These goods were subsequently received in the subsequent period.

7.1 The movement in the provision for slow-moving and damaged inventory is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**173,402**	-
Charged during the period / year	**1,462,010**	1,594,639
Write-off during the period / year	**(1,418,659)**	(1,421,237)
Balance at the end of the period / year	**216,753**	173,402

7.2 The movement in the impairment of inventory is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**616,939**	-
Charged during the period / year	-	616,939
Balance at the end of the period / year	**616,939**	**616,939**

8. TRADE RECEIVABLES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Customers	**131,791,079**	114,207,059
Less: Provision for Expected Credit Losses (8.1)	**(5,618,809)**	(5,618,809)
	126,172,270	108,588,250

8.1 The movement in the provision for expected credit losses is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**5,618,809**	3,899,034
Charged during the period / year	-	1,719,775
Balance at the end of the period / year	**5,618,809**	5,618,809

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

9. CASH AND CASH EQUIVALENTS

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Cash at banks	**15,606,654**	15,502,703
Short-term deposits*	**33,500,000**	19,500,000
	49,106,654	35,002,703

*Short-term deposits comprise Shariah-compliant short-term deposits with a number of local banks, with original maturities of three months or less from the date of acquisition. These deposits earn finance income at prevailing market rates.

10. CREDIT FACILITIES:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Banks – Short-term credit facilities – Letters of credit	**15,456,889**	19,082,334
	15,456,889	19,082,334

Movement of banks credit facilities during the period / year is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**19,082,334**	13,798,124
Proceeds during the period / year	**38,801,793**	99,521,957
Paid during the period / year	**(42,427,238)**	(94,237,747)
Balance at the end of the period / year	**15,456,889**	19,082,334

The credit facilities comprise working capital financing, letters of credit, Tawarruq financing against letters of credit, and financing of direct transfers to suppliers, to finance the Company's obligations and operations under agreements entered into between the Company and a number of banks. These agreements are compliant with Shariah principles.

11. RELATED PARTY TRANSACTIONS AND BALANCES

11.1 Salaries, Allowances and Remuneration of Key Executives and Board Members:

Key executives are those persons who have the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including members of the Board of Directors and its committees. Salaries, allowances and remuneration of key executives comprise the total short-term employee benefits paid to key executives, members of the Board of Directors and its committees during the period/year.

The following are the transactions carried out during the period/year:

	Nature of Transaction	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Senior executives	Salaries, Allowances, and Bonuses	**1,081,283**	906,705
Board Members	Attendance Allowances and Bonuses	**2,220,000**	2,291,000

11.2 Due to related parties

	Nature of Relationship	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Accrued dividends	Shareholders	**98,302**	98,302

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

12. REVENUES

	For the three-month period ended		For the six-month period ended	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
By Geographical Segment:	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues inside the Kingdom of Saudi Arabia	**77,773,485**	67,788,988	**162,057,035**	145,006,173
Revenues outside the Kingdom of Saudi Arabi	**4,802,162**	4,740,784	**8,782,870**	9,839,529
Total Revenues	**82,575,647**	72,529,772	**170,839,905**	154,845,702
Less: Discounts granted to customers	**(10,511,990)**	(10,350,540)	**(23,645,597)**	(21,995,307)
Revenues, net	**72,063,657**	62,179,232	**147,194,308**	132,850,395

Revenues are recognized at a point in time.

13. ZAKAT PAYABLE

Zakat payable movement
The Zakat payable movement is as follows:

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
Balance at the beginning of the period\year	**5,273,479**	4,659,575
Charged during the period / year	**2,700,000**	(4,591,557)
Paid during the period / year	**(5,181,030)**	5,205,461
Balance at the end of the period \ year	**2,792,449**	5,273,479

The company submitted its zakat return for the year ended 31 December 2025 and obtained final zakat certificate valid till 30 April 2027G.

14. EARNINGS PER SHARE

Basic/diluted earnings per share are based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding. Earnings per share as at 30 June 2026 have been calculated based on the weighted average number of ordinary shares outstanding during the period of 101,250,000 shares (as at 30 June 2025G: 101,250,000 shares). There are no potentially dilutive ordinary shares. Diluted earnings per share are the same as basic earnings per share, as the Group has no convertible securities or dilutive financial instruments outstanding.

	For the three-month period ended		For the six-month period ended	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net profit for the period	**6,966,602**	5,669,809	**16,577,166**	14,304,619
Weighted average number of shares	**101,250,000**	101,250,000	**101,250,000**	101,250,000
Basic and diluted earnings per share from net profit for the period	**0.07**	0.06	**0.16**	0.14

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15. CAPITAL MANAGEMENT

For the purpose of managing the Group's capital, capital comprises share capital and all other equity reserves attributable to the owners of the Group. The primary objective of the Group's capital management is to maximize shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and financial covenant requirements. To maintain or adjust its capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares.
The Group monitors capital using the gearing ratio, which represents net debt divided by total equity plus net debt. The Group's liabilities comprise net debt, term loans, trade payables, lease liabilities, accrued expenses and other credit balances, and less bank balances.

	30 June 2026	**31 December 2025**
	(Unaudited)	**(Audited)**
Total Liabilities	**61,824,934**	63,443,010
Less: Cash and Cash Equivalents	**(49,106,654)**	(35,002,703)
Net Debt	**12,718,280**	28,440,307
Total Equity	**211,416,966**	205,977,300
Leverage Ratio	**6%**	%13.8

16. SEGMENT INFORMATION

Operating segments are components of the Group that engage in business activities from which they may earn revenues and incur expenses, whose operating results are regularly reviewed by the chief operating decision-maker (CODM), and for which discrete financial information is available. The CODM is the person or group of people who allocate resources and assess the performance of the Group. The CODM has been identified as the Group's Board of Directors through executive management, comprising the Chief Executive Officer and the Chief Financial Officer. For the purpose of allocating resources and assessing the Group's performance, CODM considers the Group's business as a single segment. Furthermore, the Group's operations are conducted within the Kingdom of Saudi Arabia.

Operating Segments
The Group operates through two segments: the commercial segment and the industrial segment. The commercial segment includes the Parent Company (Baazeem Trading Company) and Baazeem Trading Establishment in the State of Qatar (a subsidiary) and is engaged in commercial activities comprising the sale of food products and cleaning materials and supplies. The industrial segment includes Top Vision for Industry Company (a subsidiary) and is engaged in industrial activities comprising the manufacture of sponges and paper products. These segments are managed and their performance is monitored on a consolidated basis by the CODM for the purposes of resource allocation and performance assessment.

Geographical Segments
The Group primarily conducts its operations in the Kingdom of Saudi Arabia and the State of Qatar.

17. CONTINGENT LIABILITIES

	30 June 2026	**31 December 2025**
	(Unaudited)	**(Audited)**
Letters of Credit	**16,769,986**	18,844,637
	16,769,986	18,844,637

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount received when an asset is sold or paid to transfer a liability in an organized transaction between market participants on the date of measurement. The company's financial instruments consist of financial assets and financial liabilities. The Company's financial assets consist of trade receivables, other receivables, amounts due from related parties, notes receivable, and cash and cash equivalents. Financial liabilities consist of bank-credit facilities, trade payables and accrued expenses. The fair value of financial instruments is not significantly different from their book value, unless otherwise indicated.

19. RISK MANAGEMENT

Special commission price risk

Special commission price risk relates to the risks resulting from the fluctuation of the value of a financial instrument as a result of the change in the prevailing commission rates in the market, and the company is subject to the risk of special commission rates on its assets associated with special commissions such as Murabaha deposits and credit facilities.

Credit risk

Credit risk is the risk that other parties will not be able to meet their contractual obligations to the Group, which may result in a financial loss to the Group. The concentrations of potential credit risk include mainly trade receivables and short-term cash investments. Short term cash investments are deposited with banks having a high credit rating. The Group's Management believes that there is no concentration of credit risk for which no adequate provision has been made as at the reporting date.

Liquidity risk

Liquidity risk is that the Group has difficulty in providing funds to meet its financial obligations associated with financial instruments.

Liquidity risks may arise from the inability to sell financial assets quickly at an amount of near their fair value. The Group manages liquidity risk by monitoring working capital requirements and cash flows regularly and ensuring that banking facilities are available when needed. The Group's terms of contract require 60-120 days from the date of invoices, and commercial accounts are usually paid within 45-120 days of billing.

Increased risk concentration

The concentration of risks arises when a number of other parties engage in similar business activities or activities in the same geographical area or when they have economic characteristics that result in their ability to meet contractual obligations similarly affected by changes in economic, political or other circumstances. The concentration of risks indicates the relative sensitivity of the Group's performance to developments affecting an industry.

20. INTERIM CONDENSED RESULTS AND RELATED ADJUSTMENTS FOR THE PERIOD

All adjustments considered necessary by the Company's management have been made to fairly present the interim condensed consolidated statement of financial position and the results of operations for the period. The results of operations for the interim condensed financial period may not be indicative of the actual results of operations for the full financial year.

21. DIVIDENDS

The Company's Ordinary General Assembly, at its meeting held on 17 May 2026, approved the recommendation of the Company's Board of Directors made at its meeting held on 31 March 2026 to distribute cash dividends to the Company's shareholders for the second half of the 2025 financial year. The total dividends amounted to SAR 11,137,500, based on 101,250,000 shares, at SAR 0.11 per share, representing 11% of the share's nominal value.

The Company's Ordinary General Assembly, at its meeting held on 9 April 2025, approved the recommendation of the Company's Board of Directors made at its meeting held on 6 March 2025 to distribute cash dividends to the Company's shareholders for the second half of the 2024 financial year. The total dividends amounted to SAR 11,137,500, based on 101,250,000 shares, at SAR 0.11 per share, representing 11% of the share's nominal value.

22. EVENTS DURING THE PERIOD

The recent geopolitical tensions have resulted in a state of uncertainty in the region. Given the continued volatility of the situation, the Group continues to closely monitor these developments to assess their potential impacts and take appropriate precautionary measures to support its operations, where necessary. These measures include, but are not limited to, monitoring occupancy levels, enhancing marketing activities, and implementing cost and liquidity management measures. Based on the facts and circumstances currently available and management's assessment thereof, no material impact of these developments on the Group's operations has been identified to date, particularly on its core revenues or the valuation of its assets.

For the interim condensed consolidated financial statements for the period ended 30 June 2026, these developments are considered non-adjusting events. Given the evolving nature of the situation, the potential financial impact on the Group cannot currently be reliably estimated.
Furthermore, the Group's management believes that there have been no material subsequent events occurring after the reporting date and before the issuance of the financial statements that would require adjustment to, or disclosure in, the financial statements.

23. SUBSEQUENT EVENTS

The Board of Directors resolved on 27 Safar 1448H (corresponding to 10 August 2026), based on the authorization granted by the Company's Ordinary General Assembly at its meeting held on 30 Dhul-Qi'dah 1448H (corresponding to 17 May 2026), to distribute fisrt half of the 2026 financial year amounting to SAR 7,087,500, representing 7% of the share capital, at SAR 0.07 per share.

Management believes that there were no material subsequent events that require disclosure in, or adjustment to, these interim condensed consolidated financial statements up to the date of their authorization that could have a material impact on the Group's consolidated financial position.

24. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying interim condensed consolidated financial statements for the period ended 30 June 2026 were approved and authorized for issue by the Company's Board of Directors on 10 August 2026G (corresponding to 27 Safar 1448H).