

GHIDA ALSULTAN FOR FAST FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
AND INDEPENDENT AUDITOR'S REVIEW REPORT

GHIDA ALSULTAN FOR FAST FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025

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

TO THE SHAREHOLDERS OF GHIDA ALSULTAN FOR FAST FOOD COMPANY
(A Saudi Joint Stock Company)

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of **GHIDA ALSULTAN FOR FAST FOOD COMPANY** (the "Company") - A Saudi Joint Stock Company as at 30 June 2025 and the related interim statements of comprehensive income, statements of changes in shareholders' equity and cash flows for the six-months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim Condensed financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Condensed Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS (34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia.

EMPHASIS OF THE MATTER

The Company's financial statements for the year ending 31 December 2024, were audited by another auditor, who expressed an unmodified opinion on those financial statements on 10 Shawwal 1446 H, corresponding to 8 April 2025. The interim condensed financial statements for the six months period ending 30 June 2024 were also reviewed by the same auditor, who expressed an unmodified conclusion on those interim condensed financial statements on 28 Safar 1446H, corresponding to 1 September 2024. and as presented in Note No. (13) to the interim condensed financial statements, management has made some adjustments on the financial statements for the year ending 31 December 2024, as well as the interim condensed financial statements ending 30 June 2024. Nothing has come to our attention that causes us to believe that these adjustments are not appropriate. Other than what relates to these adjustments, we have not engaged to audit the financial statements for the year ending 31 December 2024, or review the interim condensed financial statements for the six months period ending 30 June 2024. Therefore, we do not express an opinion or conclusion on this regard.

For PKF AI Bassam
Chartered Accountants



Ahmed A. Mohandis
Certified Public Accountant
License No. (477)
Jeddah: 11 Rabi' Al-Awwal 1447 H
Corresponding to: 3 September 2025



GHIDA ALSULTAN FOR FAST FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF 30 JUNE 2025

(All amounts in Saudi Riyals, unless otherwise stated)

		30 June 2025	31 December 2024	1 January 2024
	Note	(Unaudited)	(Audited)	(Audited)
		"Restated - Note 13"	"Restated - Note 13"	"Restated - Note 13"
Assets				
Non-current assets				
Property, plant and equipment, net	4	49,653,987	46,032,391	42,295,642
Right-of-use assets, net	5/1	28,585,943	30,216,609	22,401,404
Intangible assets, net		308,059	286,679	113,731
Total non-current assets		78,547,989	76,535,679	64,810,777
Current assets				
Trade receivables, net		9,874,199	8,242,043	5,848,106
Prepayments and other debit balances, net	6	8,039,041	7,512,357	7,195,667
Inventory		12,685,167	14,126,186	18,437,623
Cash and cash equivalents		10,880,145	9,051,428	9,458,246
Total current assets		41,478,552	38,932,014	40,939,642
Total assets		120,026,541	115,467,693	105,750,419
Shareholders' equity and liabilities				
Shareholders' equity				
Share capital	7	32,000,000	32,000,000	32,000,000
Statutory reserve		4,874,099	4,874,099	4,343,656
Other reserve		647,463	647,463	647,463
Retained earnings		33,200,781	28,872,305	23,404,313
Total shareholders' equity		70,722,343	66,393,867	60,395,432
Liabilities				
Non-current liabilities				
Lease liability – non-current portion	5/3	18,718,688	20,689,274	11,227,811
Employee benefit liabilities		3,449,320	3,378,895	3,370,536
Total non-current liabilities		22,168,008	24,068,169	14,598,347
Current liabilities				
Lease liabilities - current portion	5/3	8,163,949	7,966,418	9,208,997
Trade payables		13,763,290	10,966,504	15,253,727
Due to related party	8/1	2,300,000	2,300,000	2,800,000
Accruals and other credit balances		2,620,951	3,153,637	2,741,528
Zakat provision		288,000	619,098	752,388
Total current liabilities		27,136,190	25,005,657	30,756,640
Total liabilities		49,304,198	49,073,826	45,354,987
Total shareholders' equity and liabilities		120,026,541	115,467,693	105,750,419

Chief Financial Officer

Mohamed Abdul Wahed

Chief Executive Officer

Majeed Al Musbahi

Chairman of the Board of Directors

Aref Al. Musbahi

The accompanying notes form an integral part of these interim condensed financial statements

GHIDA ALSULTAN FOR FAST FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME (UNAUDITED) FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025

(All amounts in Saudi Riyals, unless otherwise stated)

		For the six-month period ended	
		30 June 2025 (Unaudited)	June 30, 2024 (Unaudited) "Restated - Note 13"
Sales	11	107,287,408	87,102,914
Cost of sales		(66,541,686)	(51,647,982)
Gross profit		40,745,722	35,454,932
Selling and distribution expenses		(26,997,576)	(19,664,560)
General and administrative expenses		(8,466,731)	(8,165,764)
Provision for expected credit losses		(737,835)	--
Profit from operation		4,543,580	7,624,608
Finance cost		(733,766)	(658,273)
Other income	9	806,662	866,211
Profit before zakat		4,616,476	7,832,546
Zakat expense		(288,000)	(300,000)
Net profit for the period after zakat		4,328,476	7,532,546
Other comprehensive income		--	--
Total comprehensive income		4,328,476	7,532,546
Profit per share for the period			
Basic	10	1.35	2.35

Chief Financial Officer

Mohamed Abdul Wahed

Chief Executive Officer

Majed Al Musbahi

Chairman of the Board of Directors

Aref Al Musbahi

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GHIDA ALSULTAN FOR FAST FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

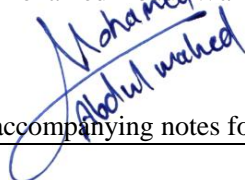
INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025

(All amounts in Saudi Riyals, unless otherwise stated)

	Share capital	Statutory reserve	Other reserve	Retained earnings	Total
<u>For the six-month period ended 30 June 2024 (Unaudited-Restated)</u>					
Balance at 1 January 2024 (Audited - Before adjustment)	32,000,000	4,303,628	647,463	23,044,058	59,995,149
Effect of prior years' adjustments (note 13)	--	40,028	--	360,255	400,283
Balance at 1 January 2024 (audited-restated)	32,000,000	4,343,656	647,463	23,404,313	60,395,432
Net profit for the period (Restated)	--	--	--	7,532,546	7,532,546
Other comprehensive income	--	--	--	--	--
Total comprehensive income for the period	--	--	--	7,532,546	7,532,546
Balance at 30 June 2024 (Unaudited)	32,000,000	4,343,656	647,463	30,936,859	67,927,978
<u>For the six-month period ended 30 June 2025 (Unaudited – Restated)</u>					
Balance at 1 January 2025 (Audited -Before adjustment)	32,000,000	4,912,999	647,463	29,222,403	66,782,865
Effect of prior years' adjustments (note 13)	--	(38,900)	--	(350,098)	(388,998)
Balance at 1 January 2025 (Audited – Restated)	32,000,000	4,874,099	647,463	28,872,305	66,393,867
Net profit for the period	--	--	--	4,328,476	4,328,476
Other comprehensive income	--	--	--	--	--
Total comprehensive income for the period (Unaudited)	--	--	--	4,328,476	4,328,476
Balance at 30 June 2025 (Unaudited)	32,000,000	4,874,099	647,463	33,200,781	70,722,343

Chief Financial Officer

Mohamed Abdul Wahed



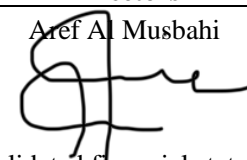
Chief Executive Officer

Majed Al Musbahi



Chairman of the Board of Directors

Aref Al Musbahi



The accompanying notes form an integral part of these interim condensed consolidated financial statements

GHIDA ALSULTAN FOR FAST FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals, unless otherwise stated)

		30 June 2025 (Unaudited)	30 June 2024 (Unaudited) "Restated - Note 13"
<u>Cash flows from operating activities:</u>	Note		
Profit for the period before zakat		4,616,476	7,832,546
Adjustment For:			
Depreciation of property plant and equipment	4	1,927,267	1,670,130
Amortization of right-of-use assets	5/1	4,677,814	4,252,570
Amortization of intangible assets		9,120	73,575
Financing costs	5/2	733,766	658,273
Expected credit loss provision		737,835	--
Gains from disposal of finance lease contracts	5/4	(51,312)	--
Employee benefit liabilities		253,662	309,853
		<u>12,904,628</u>	<u>14,796,947</u>
Change in operation assets and liability			
Inventories		1,441,019	2,682,490
Trade Receivables		(1,632,156)	(2,338,042)
Prepayments and other debit balances		(1,264,519)	1,261,495
Trade Payables		2,796,786	(5,993,003)
Accrued Expenses and other credit balances		(532,686)	(359,679)
Cash generated from operation activities		<u>13,713,072</u>	<u>10,050,208</u>
Zakat paid during the year		(619,098)	(619,601)
Employees' defined benefits paid during the period		(183,237)	(194,400)
Net cash generated from operation activities		<u>12,910,737</u>	<u>9,236,207</u>
<u>Cash flows from investing activities:</u>			
Purchase of property, plant and equipment	4	(1,040,838)	(1,228,772)
Additions to capital work in progress	4	(4,508,025)	(1,947,630)
Purchase of intangible assets		(30,500)	--
Net cash used in investing activities		<u>(5,579,363)</u>	<u>(3,176,402)</u>
<u>Cash flows from financing activities:</u>			
Lease liabilities paid	5/2	(5,502,657)	(5,714,013)
Net cash used in financing activities		<u>(5,502,657)</u>	<u>(5,714,013)</u>
Change in cash and cash equivalents during the period		1,828,717	345,792
Cash and cash equivalents at beginning of period		9,051,428	9,458,246
Cash and cash equivalents at end of period		<u>10,880,145</u>	<u>9,804,038</u>
<u>Non-cash transactions:</u>			
Additions to right-of-use assets		12,832,768	4,815,415
Finance lease obligations paid		733,766	658,273

Chief Financial Officer

Mohamed Abdul Wahed

Chief Executive Officer

Majed Al Masbahi

Chairman of the Board of Directors

Aref Al Musbahi

The accompanying notes form an integral part of these interim condensed consolidated financial statements

GHIDA ALSULTAN FOR FAST FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025

(All amounts in Saudi Riyals, unless otherwise stated)

1. COMPANY AND MAIN ACTIVITIES

Ghida AlSultan for Fast Food Company, (the “Company”) is A Saudi Joint Stock Company, and was initially registered in the Kingdom of Saudi Arabia as “Establishment” under Commercial Registration (CR) No. 4030205501 (Unified number: 7011004145) issued at Jeddah, dated 16 Dhul Qa’dah 1431 H corresponding to 24 October 2010. The legal status of the Company was changed from “Limited Liability Company” to “Closed Joint Stock Company” with effect from 25 November 2021.

The Company obtained Tadawul Saudi Arabia’s approval issued on 10 Shawwal 1443H corresponding to 30 May 2022 to list the Company’s shares in the parallel market, and the approval of the Capital Market Authority on 11 Jamada Al-Awwal 1444H corresponding to 5 December 2022 to register and offer Company shares for subscription in the parallel market.

On 20 Shaban 1444 corresponding to 12 March 2023, qualified investors subscribed to 640,000 shares of the Company listed on the parallel market, representing 20% of its total shares of the Company, and the offering price was set at SR 84 per share. Subscription closed on 27 Shaban 1444 corresponding 19 March 2023.

The Company is engaged in the business of selling fast food including pizza.

The Company's registered Head office is located at P.O Box 21320, Jeddah 11860 Prince Sultan Street, Al Basateen District, Saudi Arabia.

The financial statements include the accounts of the head office and the following branches:

Branch name	City	Unified number	License number	Type of license
Al-Basateen	Jeddah	7011004145	39111341975	Sultan Delight Restaurant
Tahlia	Jeddah	7011004145	39111424855	Sultan Delight Restaurant
Hail	Jeddah	7011004145	39111451250	Sultan Delight Restaurant
Obhur	Jeddah	7011004145	39111342328	Sultan Delight Restaurant
Hira	Jeddah	7011004145	39111456686	Sultan Delight Restaurant
Rabigh	Rabigh	7011004145	3909369030	Sultan Delight Restaurant
Al-hamdaniya	Jeddah	7011004145	39111454431	Sultan Delight Restaurant
Al-Rehab	Jeddah	7011004145	39111414936	Sultan Delight Restaurant
Al-Sanabel	Jeddah	7011004145	39111288988	Sultan Delight Restaurant
Al-Marwah	Jeddah	7011004145	39111432058	Sultan Delight Restaurant
Shawqiyyah	Makkah	7011004145	3909520107	Sultan Delight Restaurant
Prince Fawaz Southern	Jeddah	7011004145	39111294382	Sultan Delight Restaurant
Al-Faisaliah	Jeddah	7011004145	39111425843	Sultan Delight Restaurant
Al-Zaidi	Makkah	7011004145	390842984	Sultan Delight Restaurant
Rawda	Jeddah	7011004145	40072074925	Sultan Delight Restaurant
Ice Land	Jeddah	7011004145	40011665389	Sultan Delight Restaurant
Al-Awali	Makkah	7011004145	39121529105	Sultan Delight Restaurant
Sharia	Makkah	7011004145	40052021301	Sultan Delight Restaurant
Al-Azizia - Defense District	Medina	7008809407	40072070094	Sultan Delight Restaurant
Al Hadiqa neighborhood – Immigration	Medina	7008809407	40082146354	Sultan Delight Restaurant
Batha Quraysh	Makkah	7011004145	41022592524	Sultan Delight Restaurant
Khulais	Makkah	7011004145	41012559060	Sultan Delight Restaurant
Khaled bin Al-Waleed (*)	Riyadh	7016113909	41052642798	Sultan Delight Restaurant
Al Thumama	Riyadh	7016113909	41032618533	Sultan Delight Restaurant
Shahr	Taif	7011004145	41103580827	Sultan Delight Restaurant
Khamis Mushait	Khamis Mushait	7040307204	41063422104	Sultan Delight Restaurant
Yanbu – 1	Yanbu	7008809407	42013811245	Sultan Delight Restaurant
Dhahrat Laban	Riyadh	7016113909	42034229647	Sultan Delight Restaurant
Al Yasmeen	Riyadh	7016113909	42044866585	Sultan Delight Restaurant

GHIDA ALSULTAN FOR FAST FOOD COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025

(All amounts in Saudi Riyals, unless otherwise stated)

1. COMPANY AND MAIN ACTIVITIES (CONTINUED)

Branch Name	City	Unified Number	CR Number	Type of license
Azizia	Riyadh	7016113909	42075268161	Sultan Delight Restaurant
Al Raez	Medina	7008809407	42115923529	Sultan Delight Restaurant
Umluj	Umluj	7025849626	43026182509	Sultan Delight Restaurant
Al Rawabi	Riyadh	7016113909	43047943626	Sultan Delight Restaurant
Qurtuba	Riyadh	7016113909	43048004764	Sultan Delight Restaurant
Badia	Riyadh	7016113909	43058072094	Sultan Delight Restaurant
Hawiyah	Taif	7011004145	43058109279	Sultan Delight Restaurant
Al Nakheel	Riyadh	7016113909	43079308900	Sultan Delight Restaurant
Al Nuzha	Riyadh	7016113909	43079370018	Sultan Delight Restaurant
King Salman	Riyadh	7016113909	43079424389	Sultan Delight Restaurant
Gulf	Riyadh	7016113909	43089437763	Sultan Delight Restaurant
Abha	Abha	7040307204	43099639027	Sultan Delight Restaurant
Al Raqi	Khamis Mushait	7040307204	43099649483	Sultan Delight Restaurant
Mohammedia	Jeddah	7011004145	43109792246	Sultan Delight Restaurant
Samir	Jeddah	7011004145	431110019655	Sultan Delight Restaurant
Yanbu - Royal Commission	Yanbu	7008809407	8824	Sultan Delight Restaurant
Al-Naseem	Jeddah	7011004145	440210501126	Sultan Delight Restaurant
Al Sharqia	Khobar	7036604952	440711440711	Sultan Delight Restaurant
Hassan Bin Sabit	Riyadh	7016113909	440711575409	Sultan Delight Restaurant
Al Sharqia	Damam	7036604952	440811847996	Sultan Delight Restaurant
Al Kharj	Al Kharj	7016113909	440911888528	Sultan Delight Restaurant
Wazeriyah 2	Jeddah	7011004145	450313339285	Sultan Delight Restaurant
Sultan Delight – Al-Qassim	Al-Qassim	7011004145	460919128258	Sultan Delight Restaurant
Al-Laith Road (*)	Makkah	7011004145	42065217155	Sultan Delight Restaurant
Al Hada (*)	Al-Taif	7011004145	3909566635	Sultan Delight Restaurant
TNDR Hamdaniyah	Jeddah	7026749114	450212993766	TNDR Restaurant
TNDR Rawda	Jeddah	7026749114	450413705326	TNDR Restaurant
TNDR Marwa	Jeddah	7026749114	460417192571	TNDR Restaurant
TNDR Malqa	Riyadh	7026749114	460417226433	TNDR Restaurant
TNDR Naseem	Jeddah	7026749114	460718257420	TNDR Restaurant
TNDR Qassim	Buraidah	7026749114	460919128465	TNDR Restaurant
TNDR Sultanah (**)	Al-Madinah	7026749114	460919135165	TNDR Restaurant
TNDR Abha (**)	Abha	7026749114	461219866201	TNDR Restaurant
Foil Madina	Medina	7011004145	450614298789	Foil Restaurant
Foil Qassim	Buraidah	7011004145	460919128515	Foil Restaurant
Industrial Area – Asfan	Jeddah	7012570870	541102131020	Industrial License
Al-Tahlia	Jeddah	7014615913	--	--
Al-Baghdadiyah	Jeddah	7011425670	--	--
North Obhur	Jeddah	7006720440	--	--
Al-Hamdaneyah	Jeddah	7011951311	--	--
Al-Ajawid	Jeddah	7014607357	--	--
North Corniche	Jazan	7010073109	--	--
Burger preparation	Jeddah	7028611239	--	--
Burger stages	Jeddah	7040575214	--	--
Burger ingredients	Jeddah	7041587978	--	--

(*) During the period, the Company suspended the operations of these branches

(**) During the period, the branch commenced its activities

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025

(All amounts in Saudi Riyals, unless otherwise stated)

2. BASIS OF PREPARATION AND MEASUREMENT OF THE FINANCIAL STATEMENTS

2-1 Statement of compliance

These Interim Condensed Financial Statements for the six-month period ended and as at 30 June 2025 have been prepared in accordance with IAS (34) “Interim Financial Reporting” that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”) They do not include all of the information required for a complete set of IFRS Financial Statements however, accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since 31 December 2024.

These interim condensed consolidated financial statements do not include all the information and disclosures required to prepare a complete set of consolidated financial statements in accordance with the International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia. However, selected accounting policies and explanatory notes have been included to explain the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the last annual financial statements.

2-2 Basis of Measurement

The interim condensed financial statements have been prepared on a historical cost basis, unless it is allowed by the IFRS to be measured at other valuation method.

The preparation of interim condensed financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts in the financial statements. The estimate which is significant to the financial statements are disclosed in the annual financial statement for the year ended 31 December 2024.

2-3 Functional and presentation currency

Items included in the interim condensed financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (‘the functional currency’). The financial statements are presented in Saudi Riyals (SR) that is the presentation and functional currency.

2-4 Critical accounting estimates and judgments

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

The estimates and assumptions are based on historical experience and factors, including expectations of future events, that are considered appropriate in the circumstances and used to extend the carrying period of assets and liabilities that are not independent of other sources. Estimates and assumptions are continually evaluated. The accounting estimates proven in the period in which the estimates are revised are reviewed in the review period and future periods in the event that the changed estimates affect the current and future periods.

The significant judgments made by management in applying the company's accounting policies are consistent with those disclosed in the previous year's financial statements.

2-5 Going concern

The Board of Directors assessed the Company's ability to continue as going concern basis, and concluded that the Company has the necessary resources to continue operating for the foreseeable future. In addition, the management did not notice any significant cases of uncertainty that might question the Company's ability to continue as an existing entity, and therefore the financial statements were prepared on the basis of going concern.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2025

(All amounts in Saudi Riyals, unless otherwise stated)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies applied in these interim condensed financial statements are in accordance with the International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia and other standards and publications issued by the Saudi Organization for Chartered and Professional Accountants, and they are the same policies applied in the annual financial statements of the Company for the year ending 31 December 2024.

The principal accounting policies applied in the preparation of these interim condensed financial statements have been consistently applied to all the periods presented.

3/1 New Standards, Amendments, and Interpretations

New standards have been issued; however, certain amendments to existing standards became effective on January 1, 2025. These amendments have been disclosed in the financial statements for the year ended December 31, 2024, and do not have a material impact on the Company's condensed interim financial statements.

4. PROPERTY, PLANT AND EQUIPMENT, NET

The following is a statement of the net book value of property, plant and equipment:

	30 June 2025 (Unaudited)	31 December 2024 (Audited – Restated)
Cost of property, plant and equipment	70,466,758	64,917,896
Accumulated depreciation	(20,812,771)	(18,885,505)
Net book value	49,653,987	46,032,391

- During the six-month periods ended 30 June 2025, the Company has purchased a property, plant and equipment for an amount of SR 5,548,863 (30 June 2024: SR 3,176,402).
- During the six-month periods ended 30 June 2025, depreciation expense amounted to SR 1,927,267 (30 June 2024: SR 1,670,130).

5. LEASE CONTRACTS (RESTATED)

5/1 Right-of-use assets, net:

Most of the lease contracts relate to long-term leases of branches with terms ranging from 2 to 10 years. The lease payments are fixed for the majority of these agreements and are payable annually or semi-annually. These contracts have been capitalized in accordance with IFRS 16, using discount rates ranging from 5.5%.

	Notes	30 June 2025 (Unaudited)	31 December 2024 (Audited – Restated)
<u>Cost:</u>			
As at January 1		51,381,732	39,260,482
Additions during the period/year		4,385,420	5,437,307
Reassessment	5/5	--	12,832,768
Disposals during the period/year	5/4	(4,113,533)	(6,148,825)
Balance at end of the period / year		51,653,619	51,381,732
<u>Accumulated Amortizations:</u>			
As at January 1		21,165,123	16,859,078
Amortizations during the period / year		4,677,814	8,797,602
Disposals and adjustments during the period/year	5/4	(2,775,261)	(4,491,557)
Balance at end of the period / year		23,067,676	21,165,123
<u>Net Book Value:</u>			
As at the end of the period / year		28,585,943	30,216,609

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5. LEASE CONTRACTS (CONTINUED)

5/2 Lease Liabilities

The table below presents the book value of lease contract liabilities and the movements during the period/year as follows:

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited – Restated)
As at January 1		28,655,692	20,436,808
Additions during the period/year		4,385,420	5,437,307
Reassessment	5/5	--	12,832,768
Finance cost		733,766	1,355,987
Payment during the period/year		(5,502,657)	(9,756,177)
Disposals during the period/year	5/4	(1,389,584)	(1,651,001)
As at end of the period / year		26,882,637	28,655,692

5/3 lease contracts obligation as presented in the financial statements

	30 June 2025 (Unaudited)	31 December 2024 (Audited – Restated)
Current portion	8,163,949	7,966,418
Non-Current portion	18,718,688	20,689,274
	26,882,637	28,655,692

5/4 The following table presents the lease contract disposals during the period/year as follows:

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited – Restated)
Cost of right-of-use assets	5/1	(4,113,533)	(13,387,679)
Accumulated amortizations of right-of-use assets	5/1	2,775,261	11,730,411
Lease liabilities	5/2	1,389,584	1,651,001
	9	51,312	(6,267)

5/5 During the year ended 31 December 2024, the Company reassessed the contractual term of right-of-use assets and the related lease liabilities for certain branches whose validity had expired at year-end, based on management's intention to extend the lease term to five years. As a result, right-of-use assets and the related lease liabilities increased by SR 12.83 million (June 30, 2024: Nil)

6. PREPAYMENTS AND OTHER DEBIT BALANCES, NET

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited – Restated)
Prepaid expenses		3,040,301	3,035,399
Advance payments to suppliers		5,015,756	4,588,081
Employees receivables		936,940	104,998
		8,992,997	7,728,478
Less: Provision for Expected Credit Losses	6/1	(953,956)	(216,121)
		8,039,041	7,512,357

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6. PREPAYMENTS AND OTHER DEBIT BALANCES, NET (CONTINUED)

6/1 The movement in allowance for expected credit losses during the period/year is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited – Restated)
Balance as at January 1	216,121	--
Charged during period / year	737,835	216,121
Balance as at end of the period / year	953,956	216,121

7. SHARE CAPITAL

As at 30 June 2025, the share capital of the Company is SR 32 million, divided into 3.2 million shares at par value of SR 10 each. (31 December 2024: SR 32 million share capital divided into 3.2 million shares at par value of SR 10 each)

8. RELATED PARTIES:

Related party transactions represent movements in the current account during the period / year between the Company and key management personnel. The significant related party transactions and the resulting balances are as follows:

8/1 DUE TO RELATED PARTIES:

Related party	Nature of relationship	Nature of transaction	Balance as at	
			30 June 2025 (Unaudited)	31 December 2024 (Audited – Restated)
Aref Al Musbahi	Shareholder	Dividends	2,300,000	2,300,000
			2,300,000	2,300,000

8/2 Transaction with related parties:

Related party	Nature of relationship	Nature of transactions	For the six-month period ended	
			30 June 2025 (Unaudited)	30 June 2024 (Unaudited– Restated)
Buyut Al-Arjan Company	Related party	Rents	205,732	178,164

8/3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any manager (whether executive or otherwise). Salaries, wages and other similar items during the period amounted to the following:

Related party	Nature of transaction	For the six-month period ended	
		30 June 2025 (Unaudited)	30 June 2024 (Unaudited– Restated)
Key senior management personnel	Total Salaries and Benefits of Key Management Personnel	917,180	501,838
	Employee Benefits Obligation	53,333	35,750

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9. OTHER INCOME

	Note	For the six-month period ended	
		30 June 2025 (Unaudited)	30 June 2024 (Unaudited– Restated)
Sale of by-products		755,350	866,211
Gains on disposal of finance lease contracts	5/4	51,312	--
		806,662	866,211

10. EARNINGS PER SHARE

	For the six-month period ended	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited– Restated)
Net profit for the period	4,328,476	7,532,546
The average number of shares outstanding	3,200,000	3,200,000
Earnings per share	1.35	2.35

11. SEGMENTAL INFORMATION

The company is engaged in one operating segment engaged in selling fast food restaurant operates completely within the kingdom of Saudi Arabia, however, the financial information was not divided into different geographic instead segment information.

	For the six-month period ended	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited– Restated)
Western Region	73,582,896	62,171,782
Central Region	25,068,628	17,025,595
Eastern Region	3,022,337	2,374,733
Southern Region	5,613,547	5,530,804
Total	107,287,408	87,102,914

12. FINANCIAL INSTRUMENTS- RISK MANAGEMENT

The financial instruments recorded in the Company's interim condensed statement of financial position mainly consist of cash and cash equivalents, trade receivables, some of other debit balances, loans, trade payables and some other credit balances.

Foreign Currencies

Currency risk results on volatility and fluctuations of the value of a financial instrument due to changes in the foreign exchange rate,

the company did not carry out any operations of relative importance in currencies other than the Saudi riyal and the US dollar. the exchange rate of the Saudi riyal is fixed against the US dollar, the company's management believes that it is not exposed to currency risk in a substantial way.

Credit risk

Credit risk represents one of the counterparty's liabilities under a financial instrument does not meet its liabilities, resulting in financial loss, The Company's financial instruments that may be exposed to credit risk mainly include cash and cash equivalents and trade receivables. The company deposits its funds in banks of high reliability and credit capacity. The company also has a policy regarding the amount of funds deposited in each bank, and the management does not expect the existence of significant credit risks resulting from that. Also, the management does not expect to be exposed to significant credit risks from customer accounts, given that it has a wide base of customers that operate in different activities and multiple locations, and it also monitors the existing commercial debtors periodically to cover any debts that are expected to be uncollected.

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12. FINANCIAL INSTRUMENTS- RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is represented in the company's inability to meet its obligations related to financial liabilities as they fall due. Liquidity needs are monitored on a monthly basis and management ensures that sufficient funds are available to meet any commitments as they fall due.

The company's financial liabilities consist of loans, facilities, trade payables and some other credit balances. The company operates to reduce liquidity risk by ensuring the availability of the necessary cash, in addition to making a harmonization between collection periods of trade receivable balances, loan repayment periods, trade payable balances and other credit balances.

Fair value

Fair value is the price to be received for the sale of an asset or payment to transfer an obligation in an traditionally organized transaction between market participants at the date of capital the differences may arise between book value and fair value estimate, the defection of fair value are outstand based on measurement attributable to the market and estimates used by market anticipate.

Fair values are classified to different levels in the fair value hierarchy based on the inputs used in evaluation methods as follows:

Level 1: the declared market prices in active markets for the same financial instruments.

Level 2: Valuation method that rely on inputs that affect the fair value that are directly or indirectly observable in the market.

Level 3: Valuation method that rely on inputs that affect fair value that are not directly or indirectly observable in the market.

All the company's financial assets and liabilities are listed at amortized cost, and the company's management believes that the fair value of current assets and liabilities does not differ materially from their book value.

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13. PRIOR YEARS ADJUSTMENT

13/1 The following are the adjustments made to the statement of financial position as at 31 December 2024 (Audited):

	Note	31 December 2024 (Before Adjustment)	Reclassification	Effect of Adjustment	31 December 2024 (Restated)
Non-current assets					
Right-of-use assets, net	13/5	23,918,440	--	6,298,169	30,216,609
Current assets					
Prepayments and other debit balances		8,128,534	(616,177)	--	7,512,357
Shareholders' equity					
Statutory reserve	13/5	4,912,999	--	(38,900)	4,874,099
Retained earnings		29,222,403	--	(350,098)	28,872,305
Non-current liabilities					
Lease liabilities – non current portion	13/5	15,290,094	--	5,399,180	20,689,274
Current liabilities					
Lease liabilities – current portion	13/5	<u>7,294,608</u>	<u>(616,177)</u>	<u>1,287,987</u>	<u>7,966,418</u>

13/2 The following are the adjustments made to the interim condensed statement of profit or loss and other comprehensive income for the period ended 30 June 2024 (Unaudited):

	Note	30 June 2024 (Before Adjustment)	Reclassification	Effect of Adjustment	30 June 2024 (Restated)
Cost of sales	13/5	(52,210,827)	--	562,845	(51,647,982)
Finance cost		<u>(843,506)</u>	<u>--</u>	<u>185,233</u>	<u>(658,273)</u>

13/3 The following are the adjustments made to the statement of financial position as at 1 January 2024 (Audited):

	Note	1 January 2024 (Before adjustment)	Reclassification	Effect of adjustment	1 January 2024 (Restated)
Non-Current Assets					
Right-of-use assets, net	13/5	21,567,276	--	834,128	26,783,657
Shareholders' Equity					
Statutory reserve	13/5	4,303,628	--	40,028	4,343,656
retained earnings	13/5	23,044,058	--	360,255	23,404,313
Non-Current Liabilities					
Lease liabilities – non current portion	13/5	10,929,778	--	298,033	11,227,811
Lease liabilities – current portion	13/5	<u>9,073,185</u>	<u>--</u>	<u>135,812</u>	<u>9,208,997</u>

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13. PRIOR YEARS ADJUSTMENT (CONTINUED)

13/4 The following are the adjustments made to the interim condensed statement of cash flows for the period ended 30 June 2024 (Unaudited):

	Note	30 June 2024 (Before Adjustment)	Reclassification	Effect of adjustment	30 June 2024 (Restated)
<u>Operating Activities:</u>					
Net Profit for The Period Before Zakat	13/5	7,084,468	--	748,078	7,832,546
Amortization of Right- Of-Use Assets	13/5	4,815,415	--	(562,845)	4,252,570
Financing Costs	13/5	843,506	--	(185,233)	658,273

13/5 The Company reviewed the calculation of lease contracts in effect as of 31 December 2024 and 30 June 2024, which resulted in the re-inclusion of certain active lease contracts as well as the incorporation of certain adjustments and corrections related to both lease liabilities and the associated right-of-use assets.

14. CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2025 (31 December 2024: Nil).

15. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the period ended 30 June 2025, were approved for issuance by the Board of Directors on 7 Rabi' Al-Awwal1447H (corresponding to 30 August 2025).