AFG International Company
(A Saudi Joint Stock Company)
(Previously: Fawaz Abdulaziz Al Hokair & 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

AFG International Company (a Saudi Joint Stock company)
(Previously: Fawaz Abdulaziz Al Hokair & Company)

Interim condensed consolidated financial statements

For the three-month and six-month periods ended 30 June 2026

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Report on review of interim condensed consolidated financial statements

To the shareholders of AFG International Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of AFG International Company (the “Company”) and its subsidiaries (collectively with the Company referred to as the “Group”) as of 30 June 2026 and the related interim condensed consolidated statements of profit or loss and comprehensive income for the three-month and six-month periods ended 30 June 2026, and the related interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and other explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, “Interim Financial Reporting” (IAS 34), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of interim financial information performed by the independent auditor of the entity”, as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information 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, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

PricewaterhouseCoopers

Waleed A. Alhidiri
License Number 559

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PRICEWATERHOUSECOOPERS
CERTIFIED PUBLIC ACCOUNTS
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19 August 2026

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Interim condensed consolidated statement of financial position

As at 30 June 2026
(All amounts in SAR unless otherwise stated)

		30 June 2026 (Unaudited)	31 December 2025 (Audited - Restated – Note 23)
		SAR	SAR
Assets			
Property and equipment	6	**932,777,655**	981,139,100
Right-of-use assets	6.1	**2,071,205,389**	1,915,723,035
Goodwill and intangible assets		**472,427,141**	476,680,274
Security deposits		**12,569,918**	12,801,988
Receivable from disposal of a subsidiary		**13,859,128**	15,941,958
Investment in equity instruments at FVOCI		**-**	110,313,732
Equity accounted investment		**-**	30,670,320
Investment property		**958,800**	1,020,000
Non-current assets		**3,503,798,031**	3,544,290,407
Inventories	7	**569,732,275**	596,492,999
Advances, prepayments and other receivables		**297,192,418**	159,640,572
Cash and cash equivalents		**162,057,514**	243,999,879
Current assets		**1,028,982,207**	1,000,133,450
Assets classified as held for sale	22	**137,447,083**	-
Total assets		**4,670,227,321**	4,544,423,857
Equity			
Share capital	11	**1,147,664,480**	1,147,664,480
Foreign currency translation reserve		**(593,388,247)**	(596,802,214)
Fair value reserve		**103,448,561**	103,448,561
Accumulated losses		**(2,394,362,047)**	(2,260,454,976)
Equity attributable to shareholders of the Company		**(1,736,637,253)**	(1,606,144,149)
Non-controlling interests		**(6,063,562)**	(6,048,498)
Net deficit		**(1,742,700,815)**	(1,612,192,647)
Liabilities			
Loans and borrowings	8	**1,574,548,317**	1,574,019,850
Lease liabilities		**2,282,315,266**	1,929,483,944
Employees' benefits		**88,564,676**	83,448,721
Non-Current liabilities		**3,945,428,259**	3,586,952,515
Loans and borrowings - current portion	8	**10,260,639**	40,907,253
Shareholder's loan	9	**1,438,200,946**	1,378,476,561
Lease liabilities - current portion		**246,596,582**	271,877,117
Trade and other payables		**751,822,179**	871,728,211
Zakat and tax liabilities		**20,619,531**	6,674,847
Current liabilities		**2,467,499,877**	2,569,663,989
Total liabilities		**6,412,928,136**	6,156,616,504
Total equity and liabilities		**4,670,227,321**	4,544,423,857

The accompanying notes from 1 to 23 are an integral part of these interim condensed consolidated financial statements.
These Interim condensed consolidated financial statements were authorized for issue by the Board of Directors, and signed on its behalf by:

Ahmad Salim Abdelkareem	**Sameer Jain**	**Hussein Ali Shobokshi**
Chief Financial Officer	*Chief Executive Officer*	Chairman

Interim condensed consolidated statement of profit or loss (Unaudited)

For the three-month and six-month periods ended 30 June 2026
(All Amounts in SAR unless otherwise stated)

	Note	Three-months ended 30 June 2026 (Unaudited) SAR	Three-months ended 30 June 2025 (Unaudited - Restated – Note 23) SAR	Six-months ended 30 June 2026 (Unaudited) SAR	Six-months ended 30 June 2025 (Unaudited - Restated – Note 23) SAR
Revenue	13	1,258,134,312	1,128,318,131	2,623,355,651	2,463,069,868
Cost of revenue	14	(801,489,556)	(700,507,188)	(1,770,663,837)	(1,625,712,076)
Gross profit		456,644,756	427,810,943	852,691,814	837,357,792
Other operating income	16b	4,285,267	6,389,182	15,464,173	32,625,369
Selling and distribution expenses	15	(343,529,496)	(286,775,547)	(639,402,958)	(563,925,361)
General and administrative expenses		(60,990,897)	(71,096,488)	(115,752,364)	(130,918,649)
Expected credit losses		(5,000,000)	(8,299,200)	(5,000,000)	(16,481,071)
Other operating expense	16a	(5,843,323)	(82,210,611)	(8,356,860)	(84,041,436)
Operating profit / (loss)		45,566,307	(14,181,721)	99,643,805	74,616,644
Finance income		407,981	--	488,461	--
Finance costs over loans and borrowings		(60,149,559)	(38,379,329)	(122,710,424)	(72,460,363)
Finance costs over lease liabilities		(44,729,801)	(37,801,372)	(84,314,185)	(76,700,133)
Net finance costs		(104,471,379)	(76,180,701)	(206,536,148)	(149,160,496)
Share of loss from equity-accounted investees		(1,973,637)	(278,284)	-	(495,958)
Loss before zakat and income tax		(60,878,709)	(90,640,706)	(106,892,343)	(75,039,810)
Zakat and Income tax expense		(17,539,467)	(5,388,324)	(24,131,764)	(14,309,511)
Loss for the period from continuing operations		(78,418,176)	(96,029,030)	(131,024,107)	(89,349,321)
Loss for the period from discontinued operations	21	--	(5,365,760)	--	(18,254,729)
Loss for the period		(78,418,176)	(101,394,790)	(131,024,107)	(107,604,050)
Loss for the period is attributable to:					
Shareholders of the Company		(80,875,240)	(103,657,810)	(133,907,071)	(109,817,244)
Non-controlling interests		2,457,064	2,263,020	2,882,964	2,213,194
		(78,418,176)	(101,394,790)	(131,024,107)	(107,604,050)
Loss attributable to Shareholders of the Company arises from:					
Continuing operations		(80,875,240)	(98,292,050)	(133,907,071)	(91,562,515)
Discontinued operations		--	(5,365,760)	--	(18,254,729)
		(80,875,240)	(103,657,810)	(133,907,071)	(109,817,244)
Loss per share					
Basic and diluted loss per share from continuing operations	10	(0.70)	(0.86)	(1.17)	(0.80)

The accompanying notes from 1 to 23 are an integral part of these interim condensed consolidated financial statements.

Ahmad Salim Abdelkareem	Sameer Jain	Hussein Ali Shobokshi
Chief Financial Officer	*Chief Executive Officer*	*Chairman*

AFG International Company (a Saudi Joint Stock Company)
(Previously: Fawaz Abdulaziz Al Hokair & Company)

Interim condensed consolidated statement of comprehensive income

For the six-month period ended 30 June 2026
(All Amounts in SAR unless otherwise stated)

	Three-months ended 30 June 2026 (Unaudited)	Three-months ended 30 June 2025 (Unaudited - Restated – Note 23)	**Six-months ended 30 June 2026 (Unaudited)**	Six-months ended 30 June 2025 (Unaudited - Restated – Note 23)
	SAR	SAR	**SAR**	SAR
Loss for the period	**(78,418,176)**	(101,394,790)	(131,024,107)	(107,604,050)
Items that are or may be reclassified subsequently to profit or loss:				
Foreign operations – foreign currency translation differences	**18,601,482**	10,165,039	3,494,099	10,545,940
Total other comprehensive income for the period	**18,601,482**	10,165,039	**3,494,099**	10,545,940
Total comprehensive loss for the period	**(59,816,694)**	(91,229,751)	**(127,530,008)**	(97,058,110)
Total comprehensive loss/ (income) for the period attributable to:				
Shareholders of the Company	**(62,621,799)**	(93,615,030)	**(130,493,104)**	(99,378,180)
Non-controlling interests	**2,805,105**	2,385,279	**2,963,096**	2,320,070
	(59,816,694)	(91,229,751)	**(127,530,008)**	(97,058,110)
Total comprehensive loss attributable to Shareholders of the Company arises from:				
Continuing operations	**(62,621,799)**	(88,249,270)	**(130,493,104)**	(81,123,451)
Discontinued operations	--	(5,365,760)	--	(18,254,729)
	(62,621,799)	(93,615,030)	**(130,493,104)**	(99,378,180)

The accompanying notes from 1 to 23 are an integral part of these interim condensed consolidated financial statements.

Ahmad Salim Abdelkareem	**Sameer Jain**	**Hussein Ali Shobokshi**
Chief Financial Officer	*Chief Executive Officer*	*Chairman*

AFG International Company (a Saudi Joint Stock Company)
(Previously: Fawaz Abdulaziz Al Hokair & Company)
Interim condensed consolidated statement of changes in equity
For the six-month period ended 30 June 2026
(All Amounts in SAR unless otherwise stated)

	Share capital	Foreign currency translation reserve	Fair value reserve	Accumulated losses	Total shareholders' equity	Non-controlling interests	Total equity
	SAR	SAR	SAR	SAR	SAR	SAR	SAR
Balance at 1 January 2026 (As previously reported)	**1,147,664,480**	**(598,997,517)**	**103,448,561**	**(2,112,926,486)**	**(1,460,810,962)**	**(5,392,468)**	**(1,466,203,430)**
Adjustment for prior period (Note 23)	**-**	**2,195,303**	**-**	**(147,528,490)**	**(145,333,187)**	**(656,030)**	**(145,989,217)**
Balance at 1 January 2026 (Audited - restated – Note 23)	**1,147,664,480**	**(596,802,214)**	**103,448,561**	**(2,260,454,976)**	**(1,606,144,149)**	**(6,048,498)**	**(1,612,192,647)**
Total comprehensive income / (loss) for the period							
(Loss) / profit for the period	--	--	--	**(133,907,071)**	**(133,907,071)**	**2,882,964**	**(131,024,107)**
Other comprehensive income	--	**3,413,967**	--	--	**3,413,967**	**80,132**	**3,494,099**
Total comprehensive income/ (loss) for the period	--	**3,413,967**	--	**(133,907,071)**	**(130,493,104)**	**2,963,096**	**(127,530,008)**
Dividends paid to non-controlling interests	--	--	--	--	--	**(2,978,160)**	**(2,978,160)**
Balance at 30 June 2026 (Unaudited)	**1,147,664,480**	**(593,388,247)**	**103,448,561**	**(2,394,362,047)**	**(1,736,637,253)**	**(6,063,562)**	**(1,742,700,815)**
Balance at 1 January 2025 (As previously reported)	1,147,664,480	(617,207,523)	83,270,078	(1,606,933,730)	(993,206,695)	(24,928,877)	(1,018,135,572)
Adjustment for prior period (Note 23)	-	(26,258)	-	(114,792,616)	(114,818,874)	(167,274)	(114,986,148)
Balance at 1 January 2025 (Audited - restated – Note 23)	**1,147,664,480**	**(617,233,781)**	**83,270,077**	**(1,721,726,346)**	**(1,108,025,569)**	**(25,096,151)**	**(1,133,121,720)**
Total comprehensive income / (loss) for the period							
(Loss)/profit for the period (Restated – Note 23)	--	--	--	(109,817,244)	(109,817,244)	2,213,194	(107,604,050)
Other comprehensive income	--	10,439,064	--	--	10,439,064	106,876	10,545,940
Total comprehensive income/(loss) for the period (Unaudited - Restated – Note 23)	--	10,439,064	--	(109,817,244)	(99,378,180)	2,320,070	(97,058,110)
Balance at 30 June 2025 (Unaudited – Restated – Note 23)	1,147,664,480	(606,794,717)	83,270,078	(1,831,543,590)	(1,207,403,749)	(22,776,081)	(1,230,179,830)

The accompanying notes from 1 to 23 are an integral part of these interim condensed consolidated financial statements.

Ahmad Salim Abdelkareem
Chief Financial Officer

Sameer Jain
Chief Executive Officer

Hussein Ali Shobokshi
Chairman

AFG International Company (a Saudi Joint Stock Company)
(Previously: Fawaz Abdulaziz Al Hokair & Company)
Interim condensed consolidated statement of cash flows
For the six-month period ended 30 June 2026
(All Amounts in SAR unless otherwise stated)

	Note	For the six-month period ended 30 June 2026 (Unaudited)	For the six-month period ended 30 June 2025 (Unaudited – Restated – Note 23)
		SAR	SAR
Cash flows from operating activities:			
Loss for the period		(131,024,107)	(107,604,050)
Adjustments for:			
- Depreciation on property and equipment	6	58,303,064	63,938,286
- Depreciation on investment property		61,200	61,200
- Amortization on intangible assets		4,686,127	6,222,605
- Depreciation on right-of-use assets		122,148,299	127,849,412
- Provision for employees' benefits		10,007,813	10,536,777
- Provision for inventory shrinkage and slow-moving inventory	7	48,896,575	38,408,272
- Expected credit losses		5,000,000	16,481,071
- (Gain) / loss on lease termination		(248,878)	246,986
- Income recognised against lease incentives		(11,709,117)	(8,622,499)
- Zakat and income tax expense		24,131,764	14,309,511
- Finance income		(488,461)	--
- Finance cost on loans and borrowings		122,710,424	72,460,363
- Finance cost on lease liabilities		84,314,185	78,044,735
- Share of (income) / loss from equity accounted investment		--	495,958
- Impairment of non-financial assets		55,006,654	--
- Directly written off inventory		4,025,467	--
- Gain on disposal of discontinued operation		--	(21,881,521)
- Provision for write-off of property and equipment		1,591,470	12,655,051
		397,412,479	303,602,157
Changes in:			
- Inventories		(26,161,318)	67,831,792
- Advances, prepayments and other receivables		(29,588,330)	(42,782,558)
- Trade and other payables		(119,906,032)	66,579,170
Cash generated from operations		221,756,799	395,230,561
Zakat and income tax paid		(10,187,080)	(14,471,999)
Employees' benefits paid		(4,891,858)	(5,814,731)
Net cash generated from operating activities		206,677,861	374,943,831
Cash flows from investing activities:			
Purchase of property and equipment		(28,690,811)	(68,418,206)
Purchase of investment in equity accounted investments		--	(1,881,676)
Purchase of intangible assets		(135,516)	(1,149,752)
Net cash used in investing activities		(28,826,327)	(71,449,634)

AFG International Company (a Saudi Joint Stock Company)
Interim condensed consolidated statement of cash flows (continued)
(Previously: Fawaz Abdulaziz Al Hokair & Company)

For the six-month period ended 30 June 2026
(All Amounts in SAR unless otherwise stated)

	For the six-month period ended 30 June 2026 (Unaudited)	For the six-month period ended 30 June 2025 (Unaudited – Restated – Note 23)
	SAR	SAR
Cash flows from financing activities:		
Lease incentives received	--	13,000,000
Repayments of principal on loans and borrowings	**(28,971,275)**	(421,518,298)
Proceeds from loans and borrowings	--	195,601,257
Payments of finance costs over loans and borrowings	**(64,459,274)**	(80,363,952)
Payments of principal on lease liabilities	**(82,771,542)**	(100,594,971)
Payments of finance costs over lease liabilities	**(84,314,185)**	(78,044,735)
Dividends paid to Non-controlling interests	**(2,978,160)**	--
Net cash used in financing activities	**(263,494,436)**	(471,920,699)
Net decrease in cash and cash equivalents	**(85,642,902)**	(168,426,502)
Foreign currency exchange translation differences	**3,700,537**	10,941,932
Cash and cash equivalents at the beginning of the period	**243,999,879**	256,211,534
Cash and cash equivalents at the end of the period	**162,057,514**	98,726,964

The accompanying notes from 1 to 23 are an integral part of these interim condensed consolidated financial statements.

Ahmad Salim Abdelkareem	**Sameer Jain**	**Hussein Ali Shobokshi**
Chief Financial Officer	*Chief Executive Officer*	*Chairman*

1. REPORTING ENTITY

AFG International Company (the "Company"), (previously known as Fawaz Abdulaziz Al Hokair & Co.), is a listed Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration No. 1010076209 dated 20 Sha'ban 1410H (corresponding to 18 March 1990).

The extraordinary general assembly of the Company in its meeting dated 6 January 2026 has approved changing the Company's name to be AFG International Company. The legal proceedings to register the new name in the Ministry of Commerce and Capital Markets Authority have been finalized as of 20 January 2026 and the commercial registration certificate and the By-laws have been updated to that effect.

Certain other articles of incorporation were also amended in the same meeting including the Company's objectives, shareholders' register, Company's management, etc.

The Immediate Parent Company is Al Futtaim Retail Company, a company which is domiciled in Saudi Arabia. The Ultimate Parent Company is Al Futtaim Group LLC, a company which is domiciled in the United Arab Emirates.

The objective of the Company and its subsidiaries (collectively known as the "Group") is to engage in the following activities:

- Wholesale and retail trading in ready-made clothes for men, women and children, shoes, textiles, house and office furniture, perfumes, natural cosmetics, ornaments and beauty materials and their compounds and traditional jewelry.
- Wholesale and retail trading in sportswear and shoes and related items.
- Management and operation of optics centers and wholesale and retail trading in eyeglasses, sunglasses, contact lenses, optical equipment and accessories.
- Trading agencies.
- Purchase of land and construction of buildings thereon for running the Group's activities and business.
- Manufacture, wholesale and retail in Abayas, robes, scarfs and other women embroidered gowns.
- Wholesale and retail trading in gold, silver, jewelry, precious stones, diamonds, gold ornaments and precious metals.
- Wholesale and retail trading in communication equipment and related accessories and spare parts, maintenance and operation through trading agencies.
- Retail trading in consumer food products.
- Own and operate restaurants, coffee shops, import food products and acquire related equipment.
- Own and operate entertainment centers and acquire related equipment.

2. GROUP STRUCTURE

Following is the list of subsidiaries included in these interim condensed consolidated financial statements as at 30 June 2026 and 31 December 2025:

No	Subsidiaries	Country of incorporation	Business Activity	Ownership interest held by the Group as at: 30 June 2026	31 December 2025
1	Al Waheedah Equipment Co. Ltd.	Kingdom of Saudi Arabia	Retail	**100**	100
2	Haifa B. Al Kalam & Partners Co. for Trading	Kingdom of Saudi Arabia	Retail	**100**	100
3	Saudi Retail Co. Ltd	Kingdom of Saudi Arabia	Retail	**100**	100
4	Wahba Trading Company Limited	Kingdom of Saudi Arabia	Retail	**100**	100
5	Unique Technology Trading Company	Kingdom of Saudi Arabia	Retail	**100**	100
6	Nesk Trading Projects Company	Kingdom of Saudi Arabia	Retail	**100**	100
7	Innovative Union Company (IUC)	Kingdom of Saudi Arabia	Food and Beverages	**100**	100
8	Food Gate Company	Kingdom of Saudi Arabia	Food and Beverages	**70**	70
9	Logistics Fashion Trading DWC-LLC	United Arab Emirates	Retail	**100**	100
10	Al-Jeel Trading Company	Kingdom of Saudi Arabia	Retail	**100**	100
11	Fashion Retail Kazakhstan LLP	Republic of Kazakhstan	Retail	**100**	100
12	Global Apparel Kazakhstan LLP	Republic of Kazakhstan	Retail	**100**	100
13	Retail Group Georgia LLC	Georgia	Retail	**100**	100
14	Master Retail Georgia LLC	Georgia	Retail	**100**	100
15	Spanish Retail Georgia LLC	Georgia	Retail	**100**	100
16	Pro Retail Georgia LLC	Georgia	Retail	**100**	100
17	Best Retail Georgia LLC	Georgia	Retail	**100**	100
18	Mega Store Georgia LLC	Georgia	Retail	**100**	100
19	Fashion Retail Georgia LLC	Georgia	Retail	**100**	100
20	Global Apparel Georgia LLC	Georgia	Retail	**100**	100
21	Retail Group Holding LLC	Georgia	Retail	**100**	100
22	Master Home Retail	Georgia	Retail	**100**	100
23	RIGE Co.	Arab Republic of Egypt	Retail	**99**	99
24	Retail Group Egypt Co. S.A.E	Arab Republic of Egypt	Retail	**98**	98
25	Retail Group Armenia CJSC	Armenia	Retail	**96**	96
26	Spanish Retail CJSC	Armenia	Retail	**100**	100
27	ZR Fashion Retail CJSC	Armenia	Retail	**100**	100
28	Global Apparel CJSC	Armenia	Retail	**100**	100
29	BR Fashion Retail CJSC	Armenia	Retail	**100**	100
30	Master Retail CJSC	Armenia	Retail	**100**	100
31	Best Retail CJSC	Armenia	Retail	**100**	100

2. GROUP STRUCTURE (CONTINUED)

				Ownership interest held by the Group as at:	
No	**Subsidiaries**	**Country of incorporation**	**Business Activity**	**30 June 2026**	31 December 2025
32	Retail Group CJSC	Armenia	Retail	**100**	100
33	Pro Retail CJSC	Armenia	Retail	**100**	100
34	Factory Prices CJSC	Armenia	Retail	**100**	100
35	HComfort Retail Group CJSC	Armenia	Retail	**100**	100
36	Retail Group Jordan Co. LDT	Hashemite Kingdom of Jordan	Retail	**100**	100
37	Nesk Trading Projects LLC	Hashemite Kingdom of Jordan	Retail	**100**	100
38	Retail Group Azerbaijan LLC	Azerbaijan	Retail	**85**	85
39	Fashion Retail Azerbaijan LLC	Azerbaijan	Retail	**85**	85
40	Spanish Retail Azerbaijan LLC	Azerbaijan	Retail	**85**	85
41	Global Apparel Azerbaijan LLC	Azerbaijan	Retail	**85**	85
42	Mega Store Azerbaijan LLC	Azerbaijan	Retail	**85**	85
43	Master Retail Azerbaijan LLC	Azerbaijan	Retail	**85**	85
44	Pro Retail Azerbaijan LLC	Azerbaijan	Retail	**85**	85
45	Retail Group Holding LLC	Azerbaijan	Retail	**85**	85
46	Best Retail Azerbaijan LLC	Azerbaijan	Retail	**85**	85
47	Fashion Group CA	Uzbekistan	Retail	**80**	80
48	Fashion Retail Store	Uzbekistan	Retail	**80**	80
49	Master Retail Store	Uzbekistan	Retail	**80**	80
50	Retail Boutique	Uzbekistan	Retail	**80**	80
51	Retail Group Global	Uzbekistan	Retail	**80**	80
52	Retail Group Store	Uzbekistan	Retail	**80**	80
53	Retail Store Pro	Uzbekistan	Retail	**80**	80
54	Spanish Store	Uzbekistan	Retail	**80**	80

In addition to the above, the Group, directly and indirectly, owns certain dormant subsidiaries across several countries which are not material to the Group.

The principal activities of all of the above subsidiary companies are wholesale and retail trading of fashion apparels, food and beverages and electronics business.

3. BASIS OF PRPARATION

3.1 STATEMENT OF COMPLIANCE

These interim condensed consolidated financial statements for the three-month and six-month periods ended 30 June 2026 have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the Group's last annual Consolidated Financial Statements as at and for the year ended 31 December 2025 ("last annual consolidated financial statements"). These interim condensed consolidated financial statements do not include all of the information and disclosures required in the consolidated annual financial statements.

An interim period is considered as an integral part of the whole fiscal year. However, the results for the six-month period ended 30 June 2026 are not an accurate indication of the results that can be expected for the fiscal year ending 31 December 2026.

These interim condensed consolidated financial statements were approved by the Board of Directors for issuance on 4 Rabi ul Awal 1448 (H) (corresponding to 11 August 2026 (G).

3.2 GOING CONCERN BASIS OF ACCOUNTING

The Group incurred a loss for the period ended 30 June 2026 of SAR 131 million (30 June 2025: loss of SAR 108 million) had accumulated losses of SAR 2,394 million (31 December 2025: SAR 2,260 million), current liabilities exceeding its current assets by SAR 1,301 million (31 December 2025: SAR 1,570 million), and total liabilities exceeding total assets by SAR 1,743 million as of that date (31 December 2025: SAR 1,612 million). These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

In assessing the appropriateness of the going concern basis of accounting, management prepared detailed cash flow forecasts covering a period of at least twelve months from the date of approval of these condensed consolidated interim financial statements. The forecasts incorporate management's expectations regarding future trading performance, operating cash flows, working capital requirements and planned operational and cost optimization initiatives.

Management's assessment also considered a support letter received from the Ultimate Parent Company, pursuant to which the Ultimate Parent Company has committed to provide such financial support as may be required to enable the Group to meet its obligations as they fall due for a period of at least twelve months from the date of approval of these condensed consolidated interim financial statements.

The Group's ability to continue as a going concern is dependent on the successful execution of management's business restructuring plan, which includes rationalization of underperforming brands, optimization of the store portfolio, cost-reduction initiatives, and continued financial support from the Parent Company.

Over the past two years, the Group has exited a number of underperforming brands and redirected resources toward higher-performing brands. These initiatives have contributed to improvements in gross margins and the operating performance. In addition, the Group completed significant debt restructuring during 2025, including the settlement and refinancing of bank facilities and availed a loan from the Ultimate Parent Company the main purpose of which was to support the Group in clearing out outstanding payments.

Based on the above, management has concluded that the Group will have sufficient liquidity to meet its obligations as they fall due for a period of at least twelve months from the date of approval of these condensed consolidated interim financial statements and accordingly, these interim condensed consolidated financial statements have been prepared on the going concern basis.

3. BASIS OF ACCOUNTING (CONTINUED)

3.3 PREPARATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements have been prepared on the historical cost basis except for the following material items in the interim condensed consolidated statement of financial position:

- Financial instruments at fair value which are measured at fair value at the end of each reporting period,
- The defined benefits obligations are recognized at the present value of future obligations using the Projected Unit Credit Method, and;
- Assets classified as held for sale which are valued at lower of its carrying amount and fair value less costs to sell.

3.4 USE OF JUDGEMENTS AND ESTIMATES

In preparing these interim condensed consolidated financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the Group's last annual consolidated financial statements as at and for the year ended 31 December 2025. Certain accounting policy information has been reproduced or expanded in these interim condensed consolidated financial statements where considered relevant to understanding significant transactions, events and judgements arising during the current interim period.

Determination of lease term

The determination of the lease term requires significant judgement. In assessing whether mutual lessor and lessee renewal options form part of the enforceable period of the lease and the lease term, the Group considers all relevant facts and circumstances, including its historical practice of renewing leases, its strategic position as an anchor tenant in certain shopping malls, and its significant investment in specialised leasehold improvements.

These leasehold improvements are highly specialised to the Group's retail operations, have an estimated useful life of approximately 15 years and generally have no alternative use other than demolition upon lease termination. Management has concluded that these factors create a more than insignificant penalty if the lease is not renewed, and make it reasonably certain the lessee will extend at least for 15 years. Changes in these facts and circumstances could result in a reassessment of the lease term and the related lease liability and right-of-use asset balances.

Assessment of impracticability of retrospective restatement for impairment testing

Management exercised significant judgement in determining that retrospective restatement of prior-period impairment testing errors was impracticable under IAS 8 which led to a charge of SR 55 million to current period profit or loss, some or all of which might have related to prior periods. Historically, impairment testing was performed at the brand level rather than at the individual store level, despite each store representing a separate cash-generating unit ("CGU"). As further explained in Note 23 (adjustment 10), management was unable to retrospectively recreate sufficiently detailed forecasts to support impairment testing at the store level without this information being tainted by hindsight so was unable to retrospectively restate for the impact of any prior period impairments that might have existed.

3. BASIS OF ACCOUNTING (CONTINUED)

3.4 USE OF JUDGEMENTS AND ESTIMATES (CONTINUED)

Assessment of impracticability of retrospective restatement for lease term

As described in Note 23 (adjustment 6), the Group revised its assessment of the lease term for certain leases, resulting in adjustments to right-of-use assets and lease liabilities. In applying IAS 8, management exercised significant judgement in determining the extent to which the adjustment could be applied retrospectively. Management assessed the availability and reliability of historical lease information required to reconstruct lease accounting from the date of transition to IFRS 16 on 1 April 2019 and concluded that full retrospective restatement was impracticable. Accordingly, the adjustment was applied from the earliest date practicable for each affected lease, corresponding to the earliest available renewal date. Management determined that this approach is consistent with the requirements of IAS 8 regarding the correction of prior-period errors where full retrospective application is impracticable. As the adjustment was implemented from a date preceding the earliest comparative period presented, management considers the current and comparative interim period lease-related expenses to be comparable.

3.5 FUNCTIONAL AND PRESENTATION CURRENCY

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

4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied in these interim condensed consolidated financial statements are the same as those applied in the Group's last annual consolidated financial statements as at and for the year ended 31 December 2025.

5. AMENDMENTS TO STANDARDS AND STANDARDS ISSUED BUT NOT YET EFFECTIVE

A) New standards, amendments to standards and interpretations:

There are new standards and amendments to standards and interpretations that became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of these amendments, as they don't have material effect on the Group's interim condensed consolidated financial statements.

B) Standards issued but not yet effective:

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 30 June 2026 reporting period and have not been early adopted by the Group:

- Amendment to IAS 21 – Translation to a Hyperinflationary Presentation Currency, effective for annual periods beginning on or after 1 January 2027;
- IFRS 18 'Presentation and Disclosure in Financial Statements' ("IFRS 18"), effective for annual periods beginning on or after 1 January 2027; and
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures' ("IFRS 19"), effective for annual periods beginning on or after 1 January 2027.

Management is in the process of assessing the impact of such new standards and interpretations on its future interim condensed consolidated financial statements.

5. AMENDMENTS TO STANDARDS AND STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

IFRS 18 'Presentation and Disclosure in Financial Statements'

IFRS 18 'Presentation and Disclosure in Financial Statements', as endorsed in Kingdom of Saudi Arabia ("IFRS 18") will replace IAS 1 'Presentation of Financial Statements' as endorsed in the Kingdom of Saudi Arabia, for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted. The Group has not early adopted IFRS 18 in preparing this interim condensed consolidated financial information.

The Group has initiated an IFRS 18 implementation assessment to assess the standard's impact on the classification, presentation and disclosure of information in the interim condensed consolidated financial statements, as well as the related data requirements.

The Group is currently assessing the estimated impact that the initial application of IFRS 18 will have on its interim condensed consolidated financial statements. Based on the assessment performed to date, the expected impacts pertain to the presentation, aggregation, disaggregation and disclosure of information within the interim condensed consolidated financial statements.

Presentation of the consolidated statement of profit or loss

IFRS 18 requires entities to classify income and expenses into specific categories within the consolidated statement of profit or loss and other comprehensive income, namely operating, investing, financing, zakat and income tax and discontinued operations. It also introduces mandatory subtotals including operating profit and profit before financing, zakat and income tax.

The Group has concluded that its specified main business activity is the retail sale of goods and related services and that, in the course of its main business activities, it does not provide financing to customers. Accordingly, the Group's income and expenses will be classified in accordance with the general classification requirements of IFRS 18, with the following effects:

- Finance income arising from the unwinding of the receivable from the disposal of a subsidiary, and income from short-term bank deposits, will be presented within the investing category.
- The Group's share of results of equity-accounted investees will be presented within the investing category, above the subtotal profit or loss before financing, zakat and income tax, rather than below net finance costs as at present.
- Foreign exchange differences will be classified in the same category as the items that generated them; exchange differences arising on borrowings and other financing liabilities will accordingly be presented within the financing category rather than within operating expenses.
- Zakat and income tax will be presented within the zakat and income tax category, consistent with the Group's current presentation.

Certain expenses arising from liabilities or other obligations that are not directly linked to the Group's specified main business activities, i.e finance costs on lease liabilities and the finance cost of employee benefit obligations are currently being assessed and would be presented within the financing category in accordance with IFRS 18.

In addition, IFRS 18 may require changes to certain line-item descriptions, subtotals and disclosures currently presented in the consolidated statements of profit or loss and other comprehensive income. The assessment remains subject to completion of the Group's implementation activities and any future interpretative or regulatory developments

Presentation of the consolidated statement of cash flows

The starting point of the indirect-method reconciliation will be operating profit or loss rather than the loss for the period, and certain adjusting items included in the reconciliation will change as a result of the new starting point. Finance costs paid and finance income received will be presented within financing activities and investing activities, respectively.

5. AMENDMENTS TO STANDARDS AND STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

IFRS 18 'Presentation and Disclosure in Financial Statements' (continued)

Principles of aggregation and disaggregation

IFRS 18 introduces enhanced requirements relating to the aggregation and disaggregation of information throughout the consolidated financial statements and accompanying notes. These requirements are intended to improve transparency by ensuring that material information is presented separately and dissimilar items are not obscured through aggregation. The Group is currently assessing whether additional disaggregation may be required, for the other assets and other liabilities, other gains, and other operating expenses. The Group also expects certain line-item descriptions currently used within the financial statements to be refined to enhance clarity and consistency with the objectives of IFRS 18.

Management-Defined Performance Measures ("MPMs")

IFRS 18 defines MPMs as a subtotal of income and expenses used in public communications outside the financial statements and is presumed to communicate to users of financial statements management's view of an aspect of the financial performance of the entity as a whole. The new change will require to disclose specific information about MPMs in the notes to the financial statements together with explanation and reconciliation. The Group is assessing whether measures communicated externally, including EBITDA and other profitability metrics, meet the definition of Management-defined Performance Measures under IFRS 18 and may therefore require enhanced disclosures and reconciliations. The Group continues to assess the estimated impact that the initial application of IFRS 18 will have on its interim condensed financial statements and will adopt the new standard when applicable.

Consequential amendments

IFRS 18 makes consequential amendments to other standards, including IAS 7 'Statement of Cash Flows', IAS 34 'Interim Financial Reporting', IAS 33 'Earnings per Share' and IAS 8, which the Group will apply from the same date.

Status of implementation

IFRS 18 introduces consequential amendments to other IFRS, including IAS 7 'Statement of Cash Flows', IAS 33 'Earnings per Share' and IAS 34 'Interim Financial Reporting'. The Group is currently assessing the impact of these amendments, including potential changes to the presentation of operating cash flows and the classification of interest, dividends and other cash flow items. The Group is also evaluating requirements relating to comparative information and retrospective application upon adoption of IFRS 18. The Group's assessment remains ongoing and further refinements to the expected impact may arise as implementation activities progress, industry practice evolves and additional guidance from regulators and standard setters become available.

6. PROPERTY AND EQUIPMENT

During the six-month period ended 30 June 2026, the Group added property and equipment with a cost of SAR 28.7 million (six-month period ended 30 June 2025: SAR 68.4 million) and disposed of property and equipment with a net book value SAR 1.6 million (six-month period ended 30 June 2025: SAR 55 million). Provision for write off of assets during the six-month period amounted to SAR 1.6 million (six-month period ended 30 June 2025: SAR 12.7 million). No sale of brands occurred during the six-month period ended 30 June 2026 (six-month period ended 30 June 2025: disposal of assets with a net book value of SAR 28.4 million arising from sale of brands). Also, during the six-month period ended 30 June 2026, the depreciation charge amounted to SAR 58.3 million (six-month period ended 30 June 2025: SAR 63.9 million).

6. PROPERTY AND EQUIPMENT (CONTINUED)

6.1. Impairment of non-financial assets

International Accounting Standard (36) "Impairment of Assets" requires that assessment of indicators of impairment of CGUs should be performed at each reporting date. Where indicators of impairment exist, the related property and equipment should be tested for impairment.

Impairment test

As at 30 June 2026, the Group assessed its individual stores for indicators of impairment. Individual stores represent the smallest group of assets that generate independent cash flows and are hence considered as cash generating units (“CGU”). Stores that had impairment indicators were tested for impairment. Where the recoverable amount of the CGU was less than the carrying values, impairment loss was recognised. The recoverable amount was determined on the basis of present value calculations, which use cash flow projections till the end of the lease terms for retail outlets. Management believes that the assumptions regarding the growth rates are no more than the average long-term growth rates of the related CGU’s activities.

Impairment loss was recognised on property and equipment and right-of-use assets as follows:

	Three-months ended 30 June 2026 (Unaudited)	Three-months ended 30 June 2025 (Unaudited - Restated – Note 23)	**Six-months ended 30 June 2026 (Unaudited)**	Six-months ended 30 June 2025 (Unaudited - Restated – Note 23)
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
	SAR	SAR	**SAR**	SAR
Impairment on property and equipment	**18,442,057**	--	**18,442,057**	--
Impairment on right-of-use assets	**36,564,597**	--	**36,564,597**	--
	55,006,654	--	**55,006,654**	--

The impairment charge on the segment of Fashion retail, Electronics and Food and beverages amounts to SAR 54.6 and SAR 0.4 million respectively.

Key assumptions used in the value-in-use calculations are set out below.

	30 June 2026
Discount rates	**12.00%**

The discount rates used reflect specific risks relating to the CGUs.

Sensitivity to changes in assumptions

	Change in assumptions		**Impact on fair value**	
	Increase in assumption	**Decrease in assumption**	**(Decrease) / Increase in amount**	**Increase / (Decrease) in amount**
Discount rate	**1%**	**1%**	**(2,549,886)**	**2,374,543**

Also refer to Note 23 adjustment 10 for further information.

7. INVENTORIES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
	SAR	SAR
Finished goods		
- Finished goods	701,962,846	662,458,612
- Goods in transit	24,500,976	48,807,499
- Consumables	7,801,433	9,791,562
Gross inventories	734,265,255	721,057,673
Provision for inventory shrinkage and slow-moving	(164,532,980)	(124,564,674)
Net inventories	569,732,275	596,492,999

8. LOANS AND BORROWINGS

	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited Restated – Note 23)
		SAR	SAR
Banking facility with Emirates NBD local bank	(i)	1,579,009,509	1,578,583,554
Banking Facility of international subsidiary (Retail Group Georgia LLC)	(ii)	1,120,851	18,864,362
Banking Facility of international subsidiary (Retail Group Global LLC - Uzbekistan)	(iii)	904,790	9,103,793
Banking Facilities of international subsidiary (Retail Group Global LLC - Uzbekistan)	(iv)	2,965,398	6,354,424
Banking Facilities of international subsidiary (Retail Group Global LLC - Uzbekistan)	(v)	808,408	2,020,970
		1,584,808,956	1,614,927,103
Loans and borrowings - current liabilities		10,260,639	40,907,253
Loans and borrowings - non-current liabilities		1,574,548,317	1,574,019,850
		1,584,808,956	1,614,927,103

i. On 14 September 2025, AFG International Company entered into a SAR 1,600 million credit facility agreement with Emirates NBD Bank – Kingdom of Saudi Arabia. The facility consisted of a short-term loan with a 90-day maturity, intended to be refinanced into a three-year term loan, with an extension option for an additional two years at the Bank's discretion, subject to execution of the relevant agreements. The loan carries an interest rate of 3-month SAIBOR plus 1%. The facility was used to settle previously existing bank debts. Guarantees include a promissory note from the Company and a corporate guarantee from Al Futtaim Private Company LLC (the "Intermediate Parent Company"), which is considered a related party due to its affiliation with Al Futtaim Retail Company, the Immediate Parent Company following the completion of a private share purchase transaction on 15 September 2025.

Subsequently, on 14 December 2025, the Group finalized the refinancing arrangements and converted the facility from a short-term loan into a long-term loan in accordance with the terms originally contemplated in the agreement. The loan carries an interest rate of 3-month SAIBOR plus 1.2%.

8. LOANS AND BORROWINGS (CONTINUED)

ii. During 2023 and 2025, the Group's international subsidiary, Retail Group Georgia LLC obtained the credit facilities from TBC Bank of Georgia amounting to EUR 9.6 million (equivalent to SAR 42.3 million), to finance working capital. The facility carried an interest rate which ranges from 7.9% to 8.9% on loan taken in Euro. As at June 2026, the outstanding facility bears an interest rate of 7.9% and has a maturity date of 11 September 2026.

iii. During 2024, the Group's international subsidiary, Retail Group Global LLC - Uzbekistan obtained the credit facility from METROPOL Group amounting to UZS 24.8 billion (equivalent to SAR 7.4 million), to support their operations. The facility carries an interest rate of 11.5%. The original maturity date of loan was on 27 January 2026, rescheduled subsequently to 31 July 2026.

iv. On 23 September 2023, the Group's international subsidiary, Retail Group Global LLC – Uzbekistan obtained the credit facilities from Pasha Bank amounting to AZN 10 million (equivalent to SAR 22 million), to support their operations. The facility carries an interest rate of 12%. The loan was settled on 10 June 2025. On 20 May 2025 same company obtained additional facility from Pasha Bank amounting to AZN 4 million (equivalent to SAR 9 million) to support their operations. Maturity date of the loan is 14 November 2026.

v. On 19 July 2024, the Group's international subsidiary, Retail Group Global LLC - Uzbekistan obtained the credit facilities from SQB Bank amounting to EUR 3 million (equivalent to SAR 12.5 million), to support their operations. The facility carries an interest rate of 12%. The maturity date of the loan is 9 October 2026.

9. SHAREHOLDER'S LOAN

	30 June 2026 (Unaudited) SAR	31 December 2025 (Audited) SAR
Shareholder's Loan	**1,438,200,946**	1,378,476,561

On 14 September 2025, the Company entered into a shareholder's loan through a tri-party agreement with Al Futtaim Private Company LLC (Ultimate Parent Company), where Al Futtaim Private Company LLC is defined in the agreement as "the lender" and Al Futtaim Retail Company as "the Purchaser of the Company's shares". The loan was extended pursuant to the terms of the private share purchase transaction on 15 September 2025. The loan carries an interest rate of 3-month SAIBOR plus 3.6%, with interest being capitalized every three-months, repayment is due at the earlier of five years from the disbursement date or six-months after the completion date of the special transaction, at the lender's discretion. The facility is intended to support the Company's financial position and settle existing obligations. The agreement includes an option for the lender to convert the outstanding loan amounts into equity, subject to the approval of the regulatory bodies and shareholders.

10. LOSS PER SHARE

Calculation of basic and diluted earnings / (loss) per share has been based on the loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding. There are no dilutive potential ordinary shares resulting from shareholder's loan (Note 9), which includes an option to convert the outstanding loan into equity, as no conversion price was determined within the loan agreement.

A. Basic and diluted loss per share for continuing operations

	Three-month period ended 30 June 2026 (Unaudited)	Three-month period ended 30 June 2025 (Unaudited – Restated – Note 23)
	SAR	SAR
Loss attributable to ordinary shareholders	**(80,875,240)**	(98,292,050)
Weighted average number of ordinary shares	**114,766,448**	114,766,448
Basic and diluted loss per share	**(0.70)**	(0.86)

B. Basic and diluted loss per share for discontinued operations

	Three-month period ended 30 June 2026 (Unaudited)	Three-month period ended 30 June 2025 (Unaudited – Restated – Note 23)
	SAR	SAR
Loss attributable to ordinary shareholders	**--**	(5,365,760)
Weighted average number of ordinary shares	**114,766,448**	114,766,448
Basic and diluted loss per share	**--**	(0.05)

C. Basic and diluted loss per share from continuing operations

	Six-month period ended 30 June 2026 (Unaudited)	Six-month period ended 30 June 2025 (Unaudited – Restated – Note 23)
	SAR	SAR
Loss attributable to ordinary shareholders	**(133,907,071)**	(91,562,515)
Weighted average number of ordinary shares	**114,766,448**	114,766,448
Basic and diluted loss per share	**(1.17)**	(0.80)

D. Basic and diluted loss per share from discontinued operations

	Six-month period ended 30 June 2026 (Unaudited)	Six-month period ended 30 June 2025 (Unaudited – Restated – Note 23)
	SAR	SAR
Loss attributable to ordinary shareholders	**--**	(18,254,729)
Weighted average number of ordinary shares	**114,766,448**	114,766,448
Basic and diluted loss per share	**--**	(0.16)

11. SHARE CAPITAL

The Company's share capital as at 30 June 2026, and 31 December 2025 is as below:

	30 June 2026 (Unaudited)			31 December 2025 (Audited)		
	No. of shares	**Par value**	**Total**	No. of shares	Par value	Total
Ordinary share capital	**114,766,448**	**10**	**1,147,664,480**	114,766,448	10	1,147,664,480

12. OPERATING SEGMENTS

Basis for segmentation

The Group has the following three strategic divisions, which are its reportable segments. These divisions offer different products and services and are managed separately because they require different marketing strategies.
The Group's Chief Executive Officer (Chief Operating Decision Maker) reviews internal management reports on at least a quarterly basis.

A. Reportable segments

The following table describes the operations of each reportable segments:

Reportable segments	**Operations**
Fashion retail	Primarily include sales of apparels, footwears & accessories through retail outlets
Electronics	Primarily include sales of smartphones and accessories, electronics, computers & peripherals, computer supplies, video games, smart TV's
Food and Beverages	Cafes and restaurants

Geographical information

The Group operates through their various outlets in the Kingdom of Saudi Arabia (Domestic) and international geography which primarily includes Jordan, Egypt, Republic of Kazakhstan, Republic of Azerbaijan, Georgia, Armenia and Uzbekistan.

(All Amounts in SAR unless otherwise stated)

12. OPERATING SEGMENTS (CONTINUED)

B. INFORMATION ABOUT REPORTABLE SEGMENTS AND GEOGRAPHICAL INFORMATION

The segment information from operations of these segments is provided below:

	Reportable segments					Geographical segments			
	Fashion retail	**Electronics**	**Food and Beverages**	**Inter-segment elimination**	**Total**	**Domestic**	**International**	**Inter-segment elimination**	**Total**
	(All amounts in SAR)					(All amounts in SAR)			
For the six-month period 30 June 2026 (Unaudited)									
Profit or loss									
Revenue	**2,195,644,760**	**286,093,154**	**141,617,737**	--	**2,623,355,651**	**1,851,603,154**	**771,752,497**	--	**2,623,355,651**
Depreciation and amortization	**(164,576,463)**	**(2,500,652)**	**(18,121,575)**	--	**(185,198,690)**	**(156,967,444)**	**(28,231,246)**	--	**(185,198,690)**
Finance costs	**(197,006,055)**	**(2,721,441)**	**(7,297,113)**	--	**(207,024,609)**	**(197,592,382)**	**(9,432,227)**	--	**(207,024,609)**
(Loss) / profit for the period from continuing operations	**(124,197,009)**	**7,913,744**	**(14,740,842)**	--	**(131,024,107)**	**(192,007,552)**	**60,983,445**	--	**(131,024,107)**
As at 30 June 2026 (Unaudited)									
Financial position									
Non-current assets	**6,160,584,417**	**89,739,650**	**282,999,886**	**(3,029,525,922)**	**3,503,798,031**	**5,967,966,849**	**565,357,104**	**(3,029,525,922)**	**3,503,798,031**
Current assets	**1,168,017,212**	**51,717,297**	**(53,305,219)**	--	**1,166,429,290**	**976,881,857**	**189,547,433**	--	**1,166,429,290**
Total liabilities	**(5,951,793,266)**	**(140,037,955)**	**(321,096,915)**	--	**(6,412,928,136)**	**(5,980,563,030)**	**(432,365,106)**	--	**(6,412,928,136)**

	Reportable segments					Geographical segments			
	Fashion retail	Electronics	Food and Beverages	Inter-segment elimination	Total	Domestic	International	Inter-segment elimination	Total
	(All amounts in SAR)					(All amounts in SAR)			
For the six-month period 30 June 2025 (Unaudited – Restated Note 23)									
Profit or loss									
Revenue	2,094,049,779	205,585,986	163,434,103	--	2,463,069,868	1,799,941,613	663,128,255	--	2,463,069,868
Depreciation and amortization	(167,571,428)	(1,889,384)	(21,038,050)	--	(190,498,862)	(164,624,806)	(25,874,056)	--	(190,498,862)
Finance costs	(139,043,670)	(2,666,629)	(7,450,197)	--	(149,160,496)	(124,944,073)	(24,216,423)	--	(149,160,496)
(Loss) / profit for the period from continuing operations	(79,441,435)	(2,098,501)	(7,809,385)	--	(89,349,321)	(117,605,656)	28,256,335	--	(89,349,321)
As at 31 December 2025 (Restated Note 23)									
Financial position									
Non-current assets	6,661,326,650	89,368,757	309,563,000	(3,515,968,000)	3,544,290,407	6,482,049,407	578,209,000	(3,515,968,000)	3,544,290,407
Current assets	993,392,369	65,495,081	(58,754,000)	--	1,000,133,450	787,889,450	212,244,000	-	1,000,133,450
Total liabilities	(5,685,587,276)	(143,423,228)	(327,606,000)	--	(6,156,616,504)	(5,674,738,504)	(481,878,000)	-	(6,156,616,504)

13. REVENUE

The Group generates revenue primarily from the sale of goods. In the following table, revenue from contracts with customers is disaggregated by primary geographical market and major revenue streams:

	Six-month period ended 30 June 2026 (Unaudited)		
	Kingdom of Saudi Arabia	International Countries	Total
	SAR	SAR	SAR
Apparels	1,328,170,886	715,774,698	2,043,945,584
Footwear & accessories	-	28,962,731	28,962,731
Others	95,721,377	27,015,068	122,736,445
Fashion retail	1,423,892,263	771,752,497	2,195,644,760
Food and Beverages	141,617,737	-	141,617,737
Electronics	286,093,154	-	286,093,154
Total revenue	1,851,603,154	771,752,497	2,623,355,651

	Six-month period ended 30 June 2025 (Unaudited)		
	Kingdom of Saudi Arabia	International Countries	Total
	SAR	SAR	SAR
Apparels	1,356,144,742	612,366,394	1,968,511,136
Footwear & accessories	-	26,768,545	26,768,545
Others	74,885,843	23,884,255	98,770,098
Fashion retail	1,431,030,585	663,019,194	2,094,049,779
Food and Beverages	163,325,042	109,061	163,434,103
Electronics	205,585,986	-	205,585,986
Total revenue	1,799,941,613	663,128,255	2,463,069,868

14. COST OF REVENUE

	Six-month period ended 30 June 2026 (Unaudited)	Six-month period ended 30 June 2025 (Unaudited – Restated Note 23)
	SAR	SAR
material cost*	1,770,663,837	1,625,712,076

*This includes provision for inventory shrinkage and slow-moving inventory amounting to SAR 49 million (SAR 6 months period ended 30 June 2025: SAR 38 million) and royalty fees.

15. SELLING AND DISTRIBUTION EXPENSES

	Six-month period ended 30 June 2026 (Unaudited)	Six-month period ended 30 June 2025 (Unaudited – Restated Note - 23)
	SAR	SAR
Employees' salaries and benefits	**262,491,405**	242,282,946
Advertising and promotions	**22,128,080**	15,029,410
Depreciation on property and equipment	**51,506,272**	55,880,991
Depreciation on right-of-use asset	**117,619,854**	120,340,093
Amortization on intangible assets	**1,333,491**	1,587,799
Provision for assets	**1,591,470**	9,265,321
Impairment of non-financial assets	**55,006,654**	--
Utilities and maintenance	**28,935,820**	21,400,604
Bank charges	**7,950,134**	10,129,968
Travel	**2,398,448**	2,501,954
Freight and distribution charges	**11,897,000**	10,889,655
Rent expense	**54,158,376**	45,721,899
Others	**22,385,954**	28,894,721
	639,402,958	563,925,361

16. OTHER OPERATING EXPENSES & INCOME

a) OTHER OPERATING EXPENSES

	Six-month period ended 30 June 2026 (Unaudited)	Six-month period ended 30 June 2025 (Unaudited – Restated Note 23)
	SAR	SAR
Tax expense	**6,486,050**	28,872,509
Foreign exchange loss, net	**--**	49,448,426
Others - other operating expense	**1,870,810**	5,720,501
	8,356,860	84,041,436

b) OTHER OPERATING INCOME

		Six-month period ended 30 June 2026 (Unaudited)	Six-month period ended 30 June 2025 (Unaudited – Restated Note 23)
		SAR	SAR
Income sub-franchise		**6,388,512**	6,491,739
Foreign exchange gain, net		**4,258,380**	--
Gain/ (loss) on lease termination		**248,878**	(1,555,753)
Gain on disposal of brands	21	**--**	21,881,521
Others - other operating income		**4,568,403**	5,807,862
		15,464,173	32,625,369

17. RELATED PARTIES

Related parties comprise shareholders, key management personnel, directors and businesses, which are controlled directly or indirectly or influenced by the shareholders, directors or key management personnel. In the normal course of business, the Group has various transactions with its related parties. Transactions are entered into with the related parties on terms and conditions approved by either the Group's management or its Board of Directors.

The Ultimate Parent Company is Al Futtaim Group LLC, domiciled in United Arab Emirates, which is the shareholder of Al Futtaim Retail Company (the direct parent to the Company), domiciled in Saudi Arabia (Note 1), and Al Futtaim Private Company LLC (an intermediate parent of Al Futtaim Retail Company) domiciled in United Arab Emirates.

A. KEY MANAGEMENT PERSONNEL AND BOD COMPENSATION

Key management personnel compensation is comprised as follows:

	Six-month period ended 30 June 2026 (Unaudited)	Six-month period ended 30 June 2025 (Unaudited)
	SAR	SAR
Salaries and short-term benefits	**6,395,807**	11,998,458
Post-employment benefits	**417,252**	615,655
Board of Directors and board committees' remuneration and compensation	**--**	3,237,300
Total key management compensation	**6,813,059**	15,851,413

B. OTHER RELATED PARTIES TRANSACTIONS AND BALANCES

Major transactions and balances with related parties, in the normal course of business, are summarized below:

Name of related party	**Relationship**	**Nature of transaction**	**Six-month period ended 30 June 2026 (Unaudited)**	Six-month period ended 30 June 2025 (Unaudited)
			SAR	SAR
Al Futtaim Private Company LLC	Intermediate parent	Accrued interest	**59,724,385**	--
		Guarantee fee	**16,928,262**	--
Metropol Group – Uzbekistan	Entity under common control	Loan payment	**6,828,278**	--
		Interest	**912,067**	1,844,867
Orient Insurance Company	Entity under common control	Insurance services	**9,627,828**	--
Saudi Retail Academy	Entity under common control	Training services	**1,348,585**	2,452,205
		HRDF Received	**1,201,299**	5,568,123
Egyptian Center for Real Estate Development	Entity under common control	Rental	**135,863**	299,780
Food and Entertainment Co. Ltd.*	Affiliate	Payments made on behalf of the Group	**--**	14,633,099
Arabian Centers Company*	Affiliate	Rentals	**--**	105,292,437
Wonderful Meals Co. Ltd.	Affiliate	Purchase of goods	**13,249,712**	10,419,500
Support Human Resource Company*	Affiliate	Services	**--**	8,219,513
Green Drive Global Single Person Company (BYD)	Affiliate	Marketing Campaign	**490,435**	--
		Lucky draw vehicle	**(490,435)**	--
Hajen Co. Ltd.*	Affiliate	Printing and advertisement	**--**	92,372

17. RELATED PARTIES (CONTINUED)

B. OTHER RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

* These entities were considered related parties until 14 September 2025 representing the date of the private share purchase agreement.

Outstanding balances with related parties are summarized below:

Name of related party	Relationship	30 June 2026 (Unaudited) SAR	31 December 2025 (Audited) SAR
Saudi Retail Academy	Affiliate	**(383,603)**	138,371
Wonderful Meals Co. Ltd.	Affiliate	**(752,377)**	5,070,456
Metropol Group – Principal	Affiliate	**(620,753)**	(7,449,030)
Metropol Group – Interest	Affiliate	**(292,418)**	(1,654,763)
Orient Insurance Company	Affiliate	**(3,864,246)**	--
Al Futtaim Private Company LLC	Intermediate parent	**(1,438,200,946)**	(1,378,476,561)

18. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

A. ACCOUNTING CLASSIFICATION AND FAIR VALUES

As the Group's financial instruments are compiled under the historical cost convention, except for FVOCI and FVTPL equity investments which are carried at fair values, differences can arise between the book values and fair value estimates. Management believes that the fair value of the Group's financial assets and liabilities are not materially different from their carrying values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial instruments comprise financial assets and financial liabilities. The Group's financial assets consist of cash and cash equivalents, financial assets at FVOCI, receivable from disposal of a subsidiary, security deposits, trade receivables and other current assets while its financial liabilities consist of term loans, lease liabilities, trade payables, and other liabilities. Management determined that the fair value of cash and cash equivalents, trade receivables and payables approximate their book value significantly due to the short-term maturity of these instruments. For term loans, the fair value does not significantly differ from the carrying amount in the interim condensed consolidated financial statements as profit rates prevailing in markets for identical financial instruments do not differ from the contractual rates.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount (amortized cost) is a reasonable approximation of fair value.

18. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

A. ACCOUNTING CLASSIFICATION AND FAIR VALUES (CONTINUED)

	30 June 2026 (Unaudited)				
	Carrying amount	**Fair value**			
		Level 1	**Level 2**	**Level 3**	**Total**
	SAR	**SAR**	**SAR**	**SAR**	**SAR**
FVOCI – equity instruments					
Egyptian Centres for Real Estate Development (ECRED)	**106,776,763**	--	--	**106,776,763**	**106,776,763**
Receivable from disposal of subsidiary	**22,420,683**	--	--	**22,420,683**	**22,420,683**
Security deposits	**12,569,918**	--	--	**12,569,918**	**12,569,918**
	141,767,364	--	--	**141,767,364**	**141,767,364**

	31 December 2025 (Audited – Restated Note 23)				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
FVOCI – equity instruments	SAR	SAR	SAR	SAR	SAR
Egyptian Centres for Real Estate Development (ECRED)	110,313,732	--	--	110,313,732	110,313,732
Receivable from disposal of subsidiary	22,602,574	--	--	22,602,574	22,602,574
Security deposits	12,801,988	--	--	12,801,988	12,801,988
	145,718,294	--	--	145,718,294	145,718,294

FINANCIAL LIABILITIES

All financial liabilities are measured at amortized cost using the effective interest rate method and as a result the carrying amounts are reasonable approximation of its fair values.

B. VALUATION TECHNIQUES AND SIGNIFICANT UNOBSERVABLE INPUTS

The following tables show the valuation techniques and significant unobservable inputs used in measuring the above investments

Type	**Valuation technique and significant unobservable inputs**
Equity securities	The valuation model is based on discounted cash flows and considers the present value of the expected future income receivable under lease agreements and forecast take-up of vacant units, discounted using a risk-adjusted discount rate. The estimate is adjusted for the net debt of the investee. Significant unobservable inputs include expected cash flows and risk adjusted discount rate. The estimated fair value would increase (decrease) if: - the expected cash flows were higher (lower); or - the risk-adjusted discount rate was lower (higher).

18. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

C. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risk arising from financial instruments:
- Credit risk.
- Liquidity risk.
- Market risk.
- Geopolitical risk.

The Group manages its financial risks through management's day-to-day processes under the oversight of the Board of Directors.

C-1. CREDIT RISK
Credit risk is the risk that other party will fail to discharge an obligation and will cause the Group to incur a financial loss. The Group has no significant concentration of credit risk. The Group's exposure to credit risk is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited – Restated Note 23)
	SAR	SAR
Cash at banks	148,509,781	225,276,051
Receivable from disposal of subsidiaries	22,420,683	22,602,574
Security deposits	12,569,918	12,801,988
Advances and other receivables	264,613,585	79,706,123
	448,113,967	340,386,736

Credit risk on receivable and bank balances is limited as:
- Cash balances are held with banks with sound credit ratings ranging from BBB to A+.
- The Group calculates impairment losses on the basis of its estimate of losses incurred in respect of receivables. The main components of this provision are the expected loss element of specific counter parties as well as the aggregate loss element that is estimated for a group of similar counter parties.
- The financial position of related parties is stable. There were no past due or impaired receivables from related parties.

C-2. LIQUIDITY RISK
Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value.

Management monitors the liquidity risk on a regular basis and ensures that sufficient funds are available to meet the Group's future commitments through external funding or shareholder support. Also see Note 3.2.

C-3. MARKET RISK
Market risk is the risk that changes in the market prices – such as foreign exchange rates and commission rates– will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

C-4. GEOPOLITICAL RISK
The Gulf region witnessed escalating geopolitical tensions, leading to a significant increase in global oil prices and volatility in regional and global financial markets, as well as disruptions to transportation, shipping, and supply chains in the region. As of the date of approval of these interim condensed financial statements, the geopolitical situation remains evolving and unstable, and these developments may have a potential impact on the Group's operations, supply chains, or operating costs in future periods. Management continues to monitor these developments on an ongoing basis and take appropriate action when necessary, however, the financial impact of these developments cannot currently be reliably estimated.

19. COMMITMENTS AND CONTINGENCIES

A. As at the reporting date, the Group is committed to capital expenditures of SAR 9.5 million (31 December 2025: SAR 8.7 million) to purchase property and equipment.
B. As at the reporting date, the Group has following outstanding contingencies:

Type	Nature	30 June 2026 (Unaudited)	31 December 2025 (Audited)
		SAR	SAR
Letter of credits	Purchase of retail trading inventory	114,778,340	106,368,671
Letter of guarantees	Bid bonds, contracts advance payments and performance bonds	523,322,871	548,372,555

20. DISPOSAL OF BRANDS

The Group disposed of three brands during the comparative period ended 30 June 2025. The resulting gain on disposal of those Brands is as follows:

	Six-months period ended 30 June 2025 (Unaudited)
	SAR
Assets	
Property and equipment	9,630,110
Inventories	123,973
Net assets disposed off	9,754,083
Consideration	31,635,604
Gain	21,881,521

21. DISPOSAL OF BRANDS (DISCONTINUED OPERATIONS)

The statement of profit or loss for discontinued brands for the six-month period ended 30 June 2026 and 2025 is presented below:

	Six-months ended 30 June 2026 (Unaudited)	Six-months ended 30 June 2025 (Unaudited)
	SAR	SAR
Revenue	--	23,449,942
Cost of revenue	--	(22,523,780)
Gross profit	--	926,162
Other operating income	--	1,925,746
Selling and distribution expenses	--	(19,762,034)
Operating loss	--	(16,910,126)
Net finance costs	--	(1,344,603)
Loss before zakat and income tax	--	(18,254,729)
Zakat and Income tax expense	--	-
Loss for the period from discontinued operations	--	(18,254,729)

22. ASSETS CLASSIFIED AS HELD FOR SALE

During the period, the Group committed to plans to dispose of certain strategic investments and concluded that the criteria for classification as held for sale under IFRS Accounting Standard 5 *Non-current Assets Held for Sale and Discontinued Operations* were met as at 30 June 2026. Management expects the disposals to be completed within twelve months from the date of classification and is actively pursuing the sale transactions.
The assets classified as held for sale comprise:

- An investment in FAS Lab Holding Company ("FAS Labs"), representing a 50% equity interest, with a carrying amount of SAR 30.67 million, previously accounted for using the equity method; and
- An investment in Egyptian Centers for Real Estate Development ("ECRED"),representing a 8.9% equity interest, with a carrying amount of SAR 106.8 million, previously classified as a financial asset at fair value through other comprehensive income ("FVOCI").

Management is progressing the disposal plan, supporting the conclusion that completion of the sale is highly probable.

The investments are expected to be disposed of through sale of shares to third-parties and disposal is expected to be completed within 12 months from the date of these financial statements.

Assets within the scope of IFRS 5 measurement requirements are measured at the lower of carrying amount and fair value less costs to sell. Financial assets within the scope of IFRS 9 *Financial Instruments* are excluded from the measurement requirements of IFRS 5 and continue to be measured in accordance with IFRS 9. No remeasurement loss was recognised upon classification as held for sale.

The aggregate carrying value of assets classified as held for sale is set out below:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
	SAR	SAR
FAS Labs Holding Company	30,670,320	-
Egyptian Centers for Real Estate Development	106,776,763	-
	137,447,083	-

23. COMPARATIVE FIGURES

In accordance with the requirements of IAS 8 “Accounting policies, changes in accounting estimates and errors” (“IAS 8”), management has restated the comparative figures to adjust prior year interim condensed consolidated financial statements. The note below sets out the details of adjustments and the line items in the interim condensed consolidated statements of financial position, profit or loss, comprehensive income, changes in equity and cash flows:

Adjustment 1:
As per IAS 1 paragraph 82, impairment losses determined in accordance with section 5.5 of IFRS 9 (“expected credit losses”) should be presented separately on the face of the interim condensed consolidated statement of profit or loss. However, the expected credit losses for the period ended 30 June 2025 was incorrectly presented within the other operating expenses line item instead of being presented separately. Accordingly, the impairment losses of SAR 8,299,200 and SAR 16,481,071 for the three-month and six-month periods ended 30 June 2025, respectively, have been corrected and presented separately on the face of the interim condensed consolidated statement of profit or loss.

23. COMPARATIVE FIGURES (CONTINUED)

Adjustment 2:
During the current period, management identified a presentation error whereby depreciation of right-of-use assets, depreciation of property and equipment, travel expenses, bank charges, amortisation of intangible assets, government fees, and utility and maintenance costs were classified and presented within cost of revenue. Upon review, it was determined that these costs are not directly attributable to the acquisition of goods sold. Accordingly, the comparative information has been restated to reclassify these expenses to selling and distribution expenses and general and administrative expenses, as appropriate, in accordance with the IAS 1. In addition, certain expenses were incorrectly classified within general and administrative expenses when, based on their nature, they were directly attributable to selling and distribution activities. Accordingly, comparative information for the period the six-months period ended 30 June 2025 has been restated to reclassify these amounts from general and administrative expenses to selling and distribution expenses.

Adjustment 3:
During the current period, the Group revised the presentation of non-financial asset write-offs. Previously, these write-offs were presented within other operating expenses. Following a reassessment, management concluded that presenting non-financial asset write-offs within the same functional expense categories as the depreciation and amortisation of the related assets provides more relevant and reliable information to users of the financial statements. This presentation better reflects the function to which the underlying assets relate and is consistent with the Group's classification of expenses by function.

Accordingly, non-financial asset write-offs are now presented within selling and distribution expenses and general and administrative expenses, as applicable, based on the same allocation methodology used for the depreciation and amortisation of the related assets. Comparative information has been re-presented on a consistent basis.

Adjsutment:4.
During the current period, management identified that certain depreciation charges relating to property and equipment, investment properties and intangible assets were incorrectly presented separately by nature in the interim condensed consolidated statement of profit or loss, despite the Group applying a functional classification of expenses. Accordingly, the comparative information has been restated to reclassify these depreciation and amortisation expenses to the relevant functional expense categories, namely selling and distribution expenses and general and administrative expenses.

Adjustment 5:
During the current year, management identified an error in the presentation of accrued finance costs relating to loans measured at amortised cost. As at 31 December 2025, accrued finance costs amounting to SAR 6,218,468 were presented within trade and other payables rather than as part of the carrying amount of the related financial liabilities. Under the effective interest rate method, finance costs form part of the amortised cost of the underlying liability and should be recognised together with the related borrowing. Accordingly, the comparative interim condensed consolidated statement of financial position has been restated to reclassify the accrued finance costs from trade and other payables to the related liabilities carried at amortised cost.

23. COMPARATIVE FIGURES (CONTINUED)

Adjustment 6:
As explained in the significant judgement in Note 3.4, the Group enters into leases of retail stores as a lessee on varying contractual lease terms with multiple mutual lessee and lessor renewal rights. The Group incurs significant leasehold improvements at lease commencement which have a useful economic life of 15 years. In view of this, the Group considers that it would suffer a more than insignificant economic penalty if the leases are terminated before 15 years. Therefore, the Group considers that the lease is enforceable for 15 years and it is reasonably certain to exercise extensions over this period.

However, during the IFRS 16 transition process, management did not consistently apply its judgement regarding lease terms for certain leases which became evident as a result of the remaining useful life of leasehold improvements exceeding the lease term. As a result, the affected leases have been restated and the lease terms revised retrospectively to the extent practicable. For a subset of leases, complete retrospective application was impracticable per paragraph 50 of IAS 8 because the information required to determine the lease term back to the date of IFRS 16 transition was unavailable. In those cases, management applied the correction from the earliest date practicable, which was generally the earliest contract renewal date for which information was available, in accordance with paragraph 45 of IAS 8.

Adjustment 7:
Landlord contributions towards store fit-outs were previously deferred as a liability and recognised in other operating income over the contractual claw-back period, with contributions not yet received left unrecognised. IFRS 16 defines such contributions as lease incentives, which are deducted from the right-of-use asset. The correction to reduce lease incentives from the right of use asset serves to spread the benefit over the lease term and not just the contractual clawback period. Similarly, when leases have no recognised right of use asset because all payments are variable, the Group has corrected its accounting to record a liability and release the income to profit or loss over the lease term.

Adjustment 8:
During the current period, management identified an error in the classification of a loss-making brand as a disposal group held for sale as at 31 December 2025. On 11 November 2025, the Executive Committee approved a plan to either sell or close the brand. As both sale and closure were concurrently contemplated, the Group did not have a commitment to recover the brand's carrying amount principally through sale, nor was a sale highly probable as required by IFRS 5. Accordingly, the criteria for held-for-sale classification were not met, and the comparative information has been restated to reclassify the related assets and liabilities to their respective line items in the interim condensed consolidated statement of financial position. The disposal group included right-of-use assets, lease liabilities, inventories, post-employment benefit obligations, and trade and other payables which were restated to their original line items and out of the IFRS 5 separate line items.

In addition, the decision to exit this brand either through sale or closure should have led to a reassessment of the lease terms for the related stores. However, the Group did not reassess the related right-of-use assets and lease liabilities as required by IFRS 16. Consequently, the comparative information has been restated to reduce right-of-use assets by SAR 26.4 million and lease liabilities by SAR 27.0 million to incorporate the revised lease term, with the resulting SAR 0.6 million difference recognised in opening retained earnings.

Adjustment 9:
During the current period, the Group identified presentation errors relating to advances paid to suppliers as at the 31 December 2025. A portion was incorrectly classified within security deposits and presented as a non-current asset in the statement of financial position while another portion was incorrectly offset against trade and other payables, despite there being no legally enforceable right of set-off and no intention to settle on a net basis. Accordingly, the comparative statement of financial position has been restated to reclassify the advances from security deposits to advances paid to suppliers and to present advances paid to suppliers and trade and other payables on a gross basis.

23. COMPARATIVE FIGURES (CONTINUED)

Adjustment 10:
In prior periods, the Group performed impairment testing at the brands level, treating numerous stores as a single cash-generating unit ("CGU"). Following a review of the requirements of IAS 36 in the context of the Group's retail operations, the Group has determined that individual stores generally represent separate CGUs, as each store generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Applying the impairment testing requirements at the store level may result in different impairment outcomes for property, plant and equipment and right-of-use assets compared with testing at the brand level, as the assessment of individual stores reflects the specific performance and cash-generating characteristics of each location. Where goodwill is allocated to a brand-level group of CGUs for impairment testing purposes, testing only at this higher level may also result in a different allocation of impairment losses between goodwill and other assets given the IAS 36 impairment loss allocation methodology. The Group has therefore considered the implications of applying the appropriate CGU level to its historical impairment assessments.

In assessing whether historic impairments could be determined retrospectively, the Group considered the availability of the information that would have been required to perform store-level impairment testing at the relevant prior reporting dates. Historically, sufficiently detailed store-level budgets and forecasts for the periods required to perform these assessments were not available. Consequently, it is not possible to reliably reconstruct the historical impairment assessments based on the information that would have been available to management at the respective reporting dates. IAS 8 considers retrospective restatement impracticable where distinguishing information and circumstances existing at the relevant prior reporting date from information arising subsequently is not possible. In the absence of the relevant historical store-level forecasts, reconstructing the prior-period impairment assessments would not be possible without the possibility of introducing subsequent information or hindsight. Accordingly, the Group has determined that retrospective restatement of the impairment testing matters is impracticable in accordance with IAS 8.

The Group has performed a detailed review of its stores at 30 June 2026 to identify CGUs where indicators of impairment exist and performed the required impairment tests as at the current reporting date. As a result of this exercise, an impairment loss of SR 55 million has been recorded in the current interim period (also refer to Note 6.1). It is likely that some of this impairment loss relates to earlier periods, but for the reasons described above it is not possible to determine the periods to which this loss truly relates. In respect of goodwill, it is not possible to establish the amount by which it might have been over-impaired in prior years. As IAS 36 does not allow goodwill impairments to be reversed, no prospective adjustment has been made to the carrying amount of goodwill.

Adjustment 11:
In prior periods, the Group incorrectly accounted for an agency sub-franchise arrangement which the Group views as ancillary to its main operations on a gross basis. Previously the Group recognised gross income within other operating income and the related amounts payable to the franchisor within cost of revenue. The comparative information has therefore been restated to remove the gross presentation and recognise only the net commission earned within other operating income. This adjustment reduces both other operating income and cost of revenue by an equal amount.

23. COMPARATIVE FIGURES (CONTINUED)

Impact of adjustments to consolidated statement of financial position as at 31 December 2025:

	31 December 2025 (As previously reported)	Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8	Adjustment 9	31 December 2025 (Restated)
Right-of-use assets	1,368,486,825	-	633,873,594	(88,734,462)	2,097,078	-	1,915,723,035
Security deposits	15,398,822	-	-	-	-	(2,596,834)	12,801,988
Non-current assets	2,999,651,031	-	**633,873,594**	**(88,734,462)**	**2,097,078**	**(2,596,834)**	3,544,290,407
Inventories	594,193,649	-	-	-	2,299,350	-	596,492,999
Advances, prepayments and other receivables	154,784,252	-	-	-	-	4,856,320	159,640,572
Current assets	992,977,780	-	-	-	**2,299,350**	**4,856,320**	1,000,133,450
Assets classified as held for sale	30,839,353	-	-	-	(30,839,353)	-	-
Total assets	4,023,468,164	-	**633,873,594**	**(88,734,462)**	**(26,442,925)**	**2,259,486**	4,544,423,857
Equity							
Foreign currency translation reserve	(598,997,517)	-	2,195,303				(596,802,214)
Accumulated losses	(2,112,926,486)	-	(89,425,320)	(58,663,303)	560,133	-	(2,260,454,976)
Equity attributable to the shareholders of the Company	**(1,460,810,962)**	-	**(87,230,017)**	**(58,663,303)**	**560,133**	-	**(1,606,144,149)**
Non-controlling interests	(5,392,468)	-	(656,030)	-	-	-	(6,048,498)
Total equity	**(1,466,203,430)**	-	**(87,886,047)**	**(58,663,303)**	**560,133**	-	**(1,612,192,647)**
Liabilities							
Lease liabilities	1,258,165,819	-	671,318,125	-	-	-	1,929,483,944
Employees' benefits	83,166,133	-	-	-	282,588	-	83,448,721
Non-current liabilities	2,915,351,802	-	671,318,125	-	282,588	-	3,586,952,515
Loans and borrowings - current portion	34,688,785	6,218,468	-	-	-	-	40,907,253
Lease liabilities - current portion	218,501,982		47,834,135	-	5,541,000	-	271,877,117
Trade and other payables	899,816,631	(6,218,468)	2,607,381	(30,071,159)	3,334,340	2,259,486	871,728,211
current liabilities	2,538,158,806	-	50,441,516	(30,071,159)	8,875,340	2,259,486	2,569,663,989
Liabilities relating to assets classified as held for sale	36,160,986	-	-	-	(36,160,986)	-	-
Total liabilities	5,489,671,594	-	721,759,641	(30,071,159)	(27,003,058)	2,259,486	6,156,616,504
Total equity and liabilities	4,023,468,164	-	633,873,594	(88,734,462)	(26,442,925)	2,259,486	4,544,423,857

23. COMPARATIVE FIGURES (CONTINUED)

Impact of adjustments to interim condensed consolidated statement of financial position as at 1 January 2025:

	1 January 2025 (As previously reported)	Adjustment 5	Adjustment 6	Adjustment 7	1 January 2025 (Restated)
Right-of-use assets	1,463,399,941	-	794,984,692	(84,093,556)	2,174,291,077
Non-current assets	3,343,163,243	-	794,984,692	(84,093,556)	4,054,054,379
Advances, prepayments and other receivables	196,701,833	-	-	13,000,000	209,701,833
Current assets	1,090,926,888	-	-	**13,000,000**	1,103,926,888
Total assets	4,613,955,733	-	**794,984,692**	**(71,093,556)**	5,337,846,869
Equity					
Foreign currency translation reserve	(617,207,523)	-	(26,258)	-	(617,233,781)
Accumulated losses	(1,606,933,730)	-	(56,129,312)	(58,663,304)	(1,721,726,346)
Equity attributable to the shareholders of the Company	**(993,206,695)**	-	**(56,155,570)**	**(58,663,304)**	**(1,108,025,569)**
Non-controlling interests	(24,928,877)	-	(167,274)		(25,096,151)
Total equity	**(1,018,135,572)**	-	**(56,322,844)**	**(58,663,304)**	**(1,133,121,720)**
Liabilities					
Lease liabilities	1,193,527,009	-	852,451,404	-	2,045,978,413
Non-current liabilities	1,350,809,770	-	852,451,404	-	2,203,261,174
Loans and borrowings - current portion	1,760,169,911	46,475,406	-	-	1,806,645,317
Trade and other payables	1,839,075,357	(46,475,406)	(1,143,868)	(12,430,252)	1,779,025,831
current liabilities	4,059,964,238	-	(1,143,868)	(12,430,252)	4,046,390,118
Total liabilities	5,632,091,305	-	851,307,536	(12,430,252)	6,470,968,589
Total equity and liabilities	4,613,955,733	-	794,984,692	(71,093,556)	5,337,846,869

23. COMPARATIVE FIGURES (CONTINUED)

Impact of adjustments to the interim condensed consolidated statement of profit or loss for the three-month period ended 30 June 2025:

	For the three-month period ended 30 June 2025 (As previously reported)	**Adjustment 1**	**Adjustment 2**	**Adjustment 3**	**Adjustment 4**	**Adjustment 6**	**Adjustment 7**	**Adjustment 11**	**For the three-month period ended 30 June 2025 (Restated)**
Cost of revenue	(939,190,676)	-	235,480,780	-	-	-	-	3,202,708	(700,507,188)
Gross profit	189,127,455	-	235,480,780	-	-	-	-	3,202,708	427,810,943
Other operating income	26,397,522	-	-	-	-	456,103	(17,261,735)	(3,202,708)	6,389,182
Expected credit losses	-	(8,299,200)	-	-	-	-	-	-	(8,299,200)
Selling and distribution expenses	(33,161,691)	-	(229,039,191)	(4,172,440)	(34,216,743)	9,448,099	4,366,419	-	(286,775,547)
General and administrative expenses	(64,575,565)	-	(6,441,589)	-	(79,334)	-	-	-	(71,096,488)
Depreciation on property and equipment	(31,194,744)	-	-	-	31,194,744	-	-	-	-
Depreciation on investment properties	(30,600)	-	-	-	30,600	-	-	-	-
Amortization on intangible assets	(3,070,733)	-	-	-	3,070,733	-	-	-	-
Other operating expense	(94,682,251)	8,299,200	-	4,172,440	-	-	-	-	(82,210,611)
Operating profit / (loss)	(11,190,607)	-	-	-	-	9,904,202	(12,895,316)	-	(14,181,721)
Finance costs over lease liabilities	(24,419,909)	-	-	-	-	(13,381,463)	-	-	(37,801,372)
Net finance costs	(62,799,238)	-	-	-	-	(13,381,463)	-	-	(76,180,701)
Loss before zakat and income tax	(74,268,129)	-	-	-	-	(3,477,261)	(12,895,316)	-	(90,640,706)
Loss profit for the period from continuing operations	(79,656,453)	-	-	-	-	(3,477,261)	(12,895,316)	-	(96,029,030)
Loss profit for the period	**(85,022,213)**	**-**	**-**	**-**	**-**	**(3,477,261)**	**(12,895,316)**	**-**	**(101,394,790)**
Loss profit for the period is attributable to:								-	
Shareholders of the Company	(87,364,602)	-	-	-	-	(3,397,892)	(12,895,316)	-	(103,657,810)
Non-controlling interests	2,342,389	-	-	-	-	(79,369)	-	-	2,263,020
	(85,022,213)	**-**	**-**	**-**	**-**	**(3,477,261)**	**(12,895,316)**	**-**	**(101,394,790)**
Earnings per share									
Basic and diluted loss per share from continuing operations	**(0.72)**	**-**	**-**	**-**	**-**	**(0.04)**	**(0.11)**	**-**	**(0.86)**

23. COMPARATIVE FIGURES (CONTINUED)

Impact of adjustments to the interim condensed consolidated statement of comprehensive income for the three-month period ended 30 June 2025:

	For the three-month period ended 30 June 2025 (As previously reported)	Adjustment 6	Adjustment 7	For the three-month period ended 30 June 2025 (Restated)
Loss for the period	(85,022,213)	**(3,477,261)**	**(12,895,316)**	**(101,394,790)**
Total comprehensive income / (loss) for the period	**(74,857,174)**	**(3,477,261)**	**(12,895,316)**	**(91,229,751)**
Total comprehensive income/ (loss) for the period attributable to:				
- Shareholders of the Company	(77,321,822)	(3,397,892)	(12,895,316)	(93,615,030)
- Non-controlling interests	2,464,648	(79,369)	-	2,385,279
(Loss) / profit for the period from continuing operations	**(74,857,174)**	**(3,477,261)**	**(12,895,316)**	**(91,229,751)**

23. COMPARATIVE FIGURES (CONTINUED)

Impact of adjustments to the interim condensed consolidated statement of profit or loss for the six-month period ended 30 June 2025:

	For the six-month period ended 30 June 2025 (As previously reported)	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4	Adjustment 6	Adjustment 7	Adjustment 11	For the six-month period ended 30 June 2025 (Restated)
Cost of revenue	(2,096,111,396)	-	462,826,545	-	-	-	-	7,572,775	(1,625,712,076)
Gross profit	**366,958,472**	**-**	**462,826,545**	-	**-**	**-**	-	7,572,775	**837,357,792**
Other operating income	63,695,612	-	-	-	-	(2,084,337)	(21,413,131)	(7,572,775)	32,625,369
Expected credit losses	-	(16,481,071)	-	-	-	-	-	-	(16,481,071)
Selling and distribution expenses	(55,642,371)	-	(476,442,196)	(9,265,321)	(49,482,553)	18,284,581	8,622,499	-	(563,925,361)
General and administrative expenses	(126,006,534)	-	13,615,651	-	(18,527,766)	-	-	-	(130,918,649)
Depreciation on property and equipment	(61,789,773)	-	-	-	61,789,773	-	-	-	-
Depreciation on investment properties	(61,200)	-	-	-	61,200	-	-	-	-
Amortization on intangible assets	(6,159,346)	-	-	-	6,159,346	-	-	-	-
Other operating expense	(109,787,828)	16,481,071	-	9,265,321	-	-	-	-	(84,041,436)
Operating profit / (loss)	**71,207,032**	**-**	**-**	-	-	**16,200,244**	**(12,790,632)**	-	**74,616,644**
Finance costs over lease liabilities	(48,922,408)	-	-	-	-	(27,777,725)	-	-	(76,700,133)
Net finance costs	**(121,382,771)**	**-**	**-**	-	-	**(27,777,725)**	-	-	**(149,160,496)**
Loss before zakat and income tax	**(50,671,697)**	**-**	**-**	-	-	**(11,577,481)**	**(12,790,632)**	-	**(75,039,810)**
Loss profit for the period from continuing operations	**(64,981,208)**	**-**	**-**	-	-	(11,577,481)	**(12,790,632)**	-	**(89,349,321)**
Loss profit for the period	(83,235,937)	-	-	-	-	(11,577,481)	(12,790,632)	-	(107,604,050)
Loss profit for the period is attributable to:				-	-			-	-
Shareholders of the Company	(85,553,368)	-	-	-	-	(11,473,244)	(12,790,632)	-	(109,817,244)
Non-controlling interests	2,317,431	-	-	-	-	(104,237)	-	-	2,213,194
	(83,235,937)	**-**	**-**	-		**(11,577,481)**	**(12,790,632)**	-	**(107,604,050)**
Earnings per share									
Basic and diluted loss per share from continuing operations	**(0.59)**	**-**	**-**	-	**-**	**(0.10)**	**(0.11)**	-	**(0.80)**

23. COMPARATIVE FIGURES (CONTINUED)

Impact of adjustments to the interim condensed consolidated statement of comprehensive income for the three-month period ended 30 June 2025:

	For the three-month period ended 30 June 2025 (As previously reported)	Adjustment 6	Adjustment 7	For the three-month period ended 30 June 2025 (Restated)
Loss for the period	(83,235,937)	**(11,577,481)**	**(12,790,632)**	**(107,604,050)**
Total comprehensive income / (loss) for the period	**(72,689,997)**	**(11,577,481)**	**(12,790,632)**	**(97,058,110)**
Total comprehensive income/ (loss) for the period attributable to:				
- Shareholders of the Company	(75,114,304)	(11,473,244)	**(12,790,632)**	(99,378,180)
- Non-controlling interests	2,424307	(104,237)	-	2,320,070
(Loss) / profit for the period from continuing operations	**(72,689,997)**	**(11,577,481)**	**(12,790,632)**	**(97,058,110)**

23. COMPARATIVE FIGURES (CONTINUED)

Impact of adjustments to the interim condensed consolidated statement of cashflows for the six-month period ended 30 June 2025:

	For the six-month period ended 30 June 2025 (As previously reported)	Adjustment 4	Adjustment 5	Adjustment 7	For the six-month period ended 30 June 2025 (Restated)
Loss for the period	(83,235,937)	(11,577,481)	(12,790,632)	-	(107,604,050)
Depreciation of right-of-use assets	146,133,993	(18,284,581)	-	-	127,849,412
(Gain) / loss on lease termination	(1,837,351)	2,084,337	-	-	246,986
Income recognised against lease incentive	-	-	(8,622,499)	-	(8,622,499)
Finance cost on lease liabilities	50,267,010	27,777,725	-	-	78,044,735
	325,015,288	**-**	**(21,413,131)**	**-**	**303,602,157**
Advances, deposits and other receivables	(40,523,072)	-	-	(2,259,486)	(42,782,558)
Trade and other payables	55,906,553	-	8,413,131	2,259,486	66,579,170
Cash generated from operations	**408,230,561**	**-**	**(13,000,000)**	**-**	**395,230,561**
Net cash generated from operating activities	**387,943,831**	**-**	**(13,000,000)**	**-**	**374,943,831**
Cash flows from financing activities:					
Lease incentives received	-	-	13,000,000	-	13,000,000
Payments of principal on lease liabilities	(128,372,696)	27,777,725	-	-	(100,594,971)
Payments of finance costs over lease liabilities	(50,267,010)	(27,777,725)	-	-	(78,044,735)
Net cash used in financing activities	**(484,920,699)**	**-**	**13,000,000**	**-**	**(471,920,699)**
Net decrease in cash and cash equivalents	**(168,426,502)**	**-**	**-**	**-**	**(168,426,502)**
Cash and cash equivalents at the end of the period	**98,726,964**	**-**	-	-	**98,726,964**