

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

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

**FOR THE THREE AND SIX-MONTHS
THE TWO PERIOD ENDED 30 JUNE 2025 AND
INDEPENDENT AUDITOR'S REVIEW REPORT**

HALWANI BROTHERS COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT (UNAUDITED)
For the three and six months period ended 30 June 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Halwani Brothers Company - A Saudi Joint Stock Company - ("the Company") and its Subsidiaries ("collectively referred to as the "Group"), as of 30 June 2025, and the related interim condensed consolidated statement of comprehensive income for the three and six months period ended on 30 June 2025, interim condensed consolidated statements of changes in shareholders' equity and cash flows for the six months period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

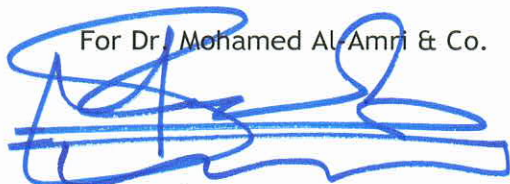
Scope of review

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

Conclusion

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

For Dr. Mohamed Al-Amri & Co.



Maher Al-Khatieb
Certified Public Accountant
License Number 514



05/08/2025 (G)
11/02/1447 (H)

HALWANI BROTHERS COMPANY (A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six-months period ended 30 June 2025

| | | For the three-months period ended 30 June 2025 | For the three-months period ended 30 June 2024 | For the Six- months period ended 30 June 2025 | For the six- months period ended 30 June 2024 |
|---|-------|---|---|---|---|
| | | ﷲ | ﷲ | ﷲ | ﷲ |
| | Note | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Revenue from contracts with customers | (4) | 213,902,831 | 215,850,567 | 451,658,163 | 483,416,944 |
| Cost of revenue | | (155,772,337) | (148,509,244) | (323,988,687) | (336,580,570) |
| GROSS PROFIT | | 58,130,494 | 67,341,323 | 127,669,476 | 146,836,374 |
| Selling and distribution expenses | | (31,404,838) | (25,170,510) | (66,801,962) | (60,769,237) |
| General and administrative expenses | | (13,788,558) | (12,866,739) | (28,603,556) | (31,235,381) |
| Other income, net | | 944,870 | 533,053 | 6,161,833 | 1,250,186 |
| PROFIT FROM OPERATIONS | | 13,881,968 | 29,837,127 | 38,425,791 | 56,081,942 |
| Finance costs | | (9,129,760) | (8,273,410) | (17,382,165) | (12,599,998) |
| Loss from foreign currency differences | | (700,563) | (109,423) | (1,508,986) | (26,222,176) |
| PROFIT BEFORE ZAKAT AND INCOME TAX DURING THE PERIOD | | 4,051,645 | 21,454,294 | 19,534,640 | 17,259,768 |
| Zakat | (5) | - | (1,800,000) | (1,800,000) | (3,600,000) |
| Income tax | (5-e) | (1,615,976) | (4,307,495) | (3,791,544) | (2,891,497) |
| PROFIT FOR THE PERIOD | | 2,435,669 | 15,346,799 | 13,943,096 | 10,768,271 |
| OTHER COMPREHENSIVE INCOME / (LOSS): | | | | | |
| Items that are or may be reclassified subsequently to profit or loss in subsequent periods: | | | | | |
| Foreign currency translation differences | | 553,894 | (553,592) | 928,292 | (59,271,492) |
| Other comprehensive income / (Loss) for the period | | 553,894 | (553,592) | 928,292 | (59,271,492) |
| TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD | | 2,989,563 | 14,793,207 | 14,871,388 | (48,503,221) |
| EARNINGS PER SHARE | | | | | |
| Basic and diluted earnings per share for the period attributable to ordinary shareholders from operating profit | | <u>0.39</u> | <u>0.84</u> | <u>1.09</u> | <u>1.59</u> |
| Basic and diluted earnings per share for the period attributable to ordinary shareholders from net profit | (6) | <u>0.07</u> | <u>0.43</u> | <u>0.39</u> | <u>0.30</u> |

Acting as Chief Financial officer
Fathy Mohamed Abdelhamid

Deputy Chief Executive officer
Eng. Fawaz Mohammed Halwani

Managing Director
Eng. Sakhr Assad Jamjoom

The attached notes 1 to 18 form an integral part of these unaudited interim condensed consolidated financial statements.

HALWANI BROTHERS COMPANY (A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2025

| | | 30 June 2025 (Undited) # | 31 December 2024 (audited) # |
|---|-------------|-----------------------------------|---------------------------------------|
| | Note | | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant, and equipment | | 333,486,228 | 343,119,005 |
| Intangible assets | | 1,421,717 | 2,645,952 |
| Right of use assets | | 14,489,693 | 14,659,902 |
| Real Estate Investment | | 45,134,328 | 45,134,328 |
| Deferred tax assets | | 1,599,470 | 1,006,018 |
| TOTAL NON-CURRENT ASSETS | | 396,131,436 | 406,565,205 |
| CURRENT ASSETS | | | |
| Inventories | | 204,597,280 | 200,221,284 |
| Trade receivables and other current assets | | 172,315,975 | 138,078,709 |
| Cash and cash equivalent | (7) | 24,357,265 | 35,310,857 |
| TOTAL CURRENT ASSETS | | 401,270,520 | 373,610,850 |
| TOTAL ASSETS | | 797,401,956 | 780,176,055 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | | 353,571,450 | 353,571,450 |
| Retained earnings | | 256,282,656 | 242,339,560 |
| Foreign currency translation reserve | | (305,387,810) | (306,316,102) |
| TOTAL SHAREHOLDERS' EQUITY | | 304,466,296 | 289,594,908 |
| NON-CURRENT LIABILITIES | | | |
| Islamic Murabaha contracts | (8) | 36,562,500 | 44,687,500 |
| Deferred tax liability | | 1,783,991 | 2,468,060 |
| Lease contract obligation | | 9,413,230 | 9,868,477 |
| Employees defined benefits' obligations | | 27,272,608 | 26,873,500 |
| TOTAL NON-CURRENT LIABILITIES | | 75,032,329 | 83,897,537 |
| CURRENT LIABILITIES | | | |
| Current portion of Islamic Murabaha Contracts long term | (8) | 16,250,000 | 16,250,000 |
| Islamic Murabaha Contracts short-term | (8) | 202,886,172 | 186,349,935 |
| Current portion of lease contract obligations | | 6,841,625 | 5,503,053 |
| Trade payables | | 67,285,503 | 71,521,042 |
| Accrued expenses and other current liabilities | | 116,802,873 | 115,052,278 |
| Zakat and income tax | (5) | 7,837,158 | 12,007,302 |
| TOTAL CURRENT LIABILITIES | | 417,903,331 | 406,683,610 |
| TOTAL LIABILITIES | | 492,935,660 | 490,581,147 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 797,401,956 | 780,176,055 |

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HALWANI BROTHERS COMPANY (A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

For the six-months period ended 30 June 2025

| | Share capital # | Statutory reserve # | Retained earnings # | Foreign currency translation reserve # | Total equity # |
|--|--------------------|------------------------|------------------------|--|--------------------|
| As at 1 January 2025 | 353,571,450 | - | 242,339,560 | (306,316,102) | 289,594,908 |
| Net profit for the period | - | - | 13,943,096 | - | 13,943,096 |
| Other comprehensive income for the period | - | - | - | 928,292 | 928,292 |
| Total comprehensive income | - | - | 13,943,096 | 928,292 | 14,871,388 |
| Balance at 30 June 2025 (Unaudited) | 353,571,450 | - | 256,282,656 | (305,387,810) | 304,466,296 |

| | Share capital # | Statutory reserve # | Retained earnings # | Foreign currency translation reserve # | Total equity # |
|--|--------------------|------------------------|------------------------|--|--------------------|
| As at 1 January 2024 | 353,571,450 | 106,071,435 | 90,788,021 | (243,595,177) | 306,835,729 |
| Net income for the period | - | - | 10,768,271 | - | 10,768,271 |
| Other comprehensive loss for the period | - | - | - | (59,271,492) | (59,271,492) |
| Total comprehensive (loss) | - | - | 10,768,271 | (59,271,492) | (48,503,221) |
| Transfer from statutory reserve to retained earnings | - | (106,071,435) | 106,071,435 | - | - |
| Balance at 30 June 2024 (Unaudited) | 353,571,450 | - | 207,627,727 | (302,866,669) | 258,332,508 |

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HALWANI BROTHERS COMPANY (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
For the six-months period ended 30 June 2025

| | | For the six-months period ended 30 June 2025 | For the six-months period ended 30 June 2024 |
|--|------|--|--|
| | Note | (Unaudited) | (Unaudited) |
| OPERATING ACTIVITIES | | | |
| Profit before zakat and income tax during the period | | 19,534,640 | 17,259,768 |
| Adjustment for non-cash to reconcile operating income before Zakat and income tax | | | |
| Depreciation of property, plant, and equipment | | 15,423,631 | 15,922,244 |
| Amortization of intangible assets | | 172,122 | 220,346 |
| Depreciation of right of use | | 3,253,418 | 3,244,122 |
| Adjustment on lease liabilities | | 969,238 | - |
| Provision for employees defined benefits' obligations | | 1,748,916 | 1,753,869 |
| Gain on Sale of property, plant, equipment | | (68,350) | (273,479) |
| Provision for expected credit losses | | 150,534 | 247,466 |
| Provision for slow-moving inventory | | 296,434 | 1,222,034 |
| Provision for contingencies | | 1,083,133 | 1,165,218 |
| Provision for Local and Foreign Suppliers - Debit Balances | | 266,127 | - |
| Used from provisions | | (94,062) | (201,411) |
| Finance costs, net | | 17,382,165 | 12,599,998 |
| Provisions no longer required | | (75,288) | (8,621,063) |
| | | 60,042,658 | 44,539,112 |
| Changes in items of operating assets and liabilities: | | | |
| Inventories | | (2,576,417) | (14,122,687) |
| Trade receivables and other current assets | | (32,801,196) | (6,594,140) |
| Trade payables and accrued expenses and other current liabilities | | (6,620,896) | 9,403,769 |
| Cash flows generated from Working Capital | | 18,044,149 | 33,226,054 |
| Zakat paid | | (1,197,908) | (909,959) |
| Income tax paid | | (7,177,699) | (9,692,398) |
| Defined Employees benefits' obligations paid | | (1,349,807) | (1,297,327) |
| Net cash generated from operating activities | | 8,318,735 | 21,326,370 |
| INVESTING ACTIVITIES | | | |
| Purchase of property, plant, and equipment | | (5,200,350) | (6,735,494) |
| Purchase of intangible assets | | - | (173,002) |
| Proceeds from sales of property, plant and equipment | | 68,351 | 237,471 |
| Net cash used in investing activities | | (5,131,999) | (6,671,025) |
| FINANCING ACTIVITIES | | | |
| Proceeds from Islamic Murabaha Contracts | | 275,358,125 | 509,801,662 |
| Payments of Islamic Murabaha Contracts | | (258,821,888) | (553,862,070) |
| Payment of lease liabilities | | (4,066,990) | (4,743,146) |
| Payment of term loans | (9) | (8,125,000) | (4,163,000) |
| Finance cost paid | | (16,484,297) | (11,700,015) |
| Net cash used in financing activities | | (12,140,050) | (64,666,569) |
| NET CHANGE IN CASH AND CASH EQUIVALENT | | (8,953,314) | (50,011,225) |
| Net difference in foreign currency translation | | (2,000,278) | (30,476,428) |
| Cash and cash equivalent at the beginning of the period | | 35,310,857 | 110,960,325 |
| CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD | | 24,357,265 | 30,472,673 |

SIGNIFICANT NON-CASH TRANSACTIONS:

| | | |
|---|-----------|--------------|
| Change effect in the differences of translation of foreign currencies | 928,292 | (59,271,492) |
| Transfer from projects under construction to property, plant, and equipment | 3,308,213 | 3,078,299 |
| Transfer from intangible assets to prepaid expenses | 1,053,169 | - |
| Adjustment on lease liabilities | 320,500 | - |

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1 CORPORATE INFORMATION

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

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

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

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

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

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

2.1 Basis of preparation

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

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

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

2.2 Going concern assessment

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

2.3 New Standards Amendment to Standards and Interpretations

New Standards Amendment to Standards and Interpretations

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

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

2.4 Basis of consolidation

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

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

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

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

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

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

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

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

Below are the details of the subsidiary:

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

*** Both companies haven't started their operations yet.**

HALWANI BROTHOERS COMPANY (A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six-months period ended 30 June 2025

3 SEGMENT REPORTING

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

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

| Segments | Kingdom of Saudi Arabia in thousands ﷲ | Arab Republic of Egypt in thousands ﷲ | Reconciliation in thousands ﷲ | Total in thousands ﷲ |
|--|---|--|--|-------------------------------------|
| <u>As of 30 June, 2025 (Unaudited)</u> | | | | |
| Total assets | 646,537 | 187,924 | (37,059) | 797,402 |
| Total liabilities | 342,070 | 153,893 | (3,028) | 492,935 |
| Capital expenditure incurred during the Period | 1,668 | 3,532 | - | 5,200 |
| <u>As of 31 December 2024 (Audited)</u> | | | | |
| Total assets | 649,385 | 198,287 | (67,495) | 780,177 |
| Total liabilities | 359,789 | 133,337 | (2,546) | 490,580 |
| Capital expenditure incurred during the year | 2,346 | 9,400 | - | 11,746 |

The financial information of revenue and selected profit/(losses) relating to the geographical segments excluding the effect of transactions between the Group's companies for the six-month period ended 30 June 2025 and 30 June 2024 is as follows:

| Segments | Kingdom of Saudi Arabia in thousands ﷲ | Arab Republic of Egypt in thousands ﷲ | Reconciliation in thousands ﷲ | Total in thousands ﷲ |
|--|---|--|--|-------------------------------------|
| <u>For the six months period ended 30 June 2025 (Unaudited)</u> | | | | |
| Revenue from contracts with customers | 240,209 | 213,140 | (1,691) | 451,658 |
| Company's share in the results of the subsidiary | 5,223 | - | (5,223) | - |
| Segment profit for the period | 13,943 | 5,223 | (5,223) | 13,943 |
| <u>For the six months period ended 30 June 2024 (Unaudited)</u> | | | | |
| Revenue from contracts with customers | 244,184 | 240,266 | (1,033) | 483,417 |
| Company's share in the results of the subsidiary | 9,095 | - | (9,095) | - |
| Segment profit for the period | 10,768 | 9,095 | (9,095) | 10,768 |

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

HALWANI BROTHERS COMPANY (A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six-months period ended 30 June 2025

4 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

| <u>Segments</u> | Kingdom of Saudi Arabia in thousands ﷲ | Arab Republic of Egypt in thousands ﷲ | Reconciliation in thousands ﷲ | Total in thousands ﷲ |
|---|---|--|-------------------------------------|----------------------------|
| <u>For the six-months period ending 30 June 2025 (Unaudited)</u> | | | | |
| Type of goods | | | | |
| Sesame products | 134,969 | 39,431 | - | 174,400 |
| Meat products | 19,256 | 154,144 | - | 173,400 |
| Other products | 85,984 | 19,565 | (1,691) | 103,858 |
| Total | 240,209 | 213,140 | (1,691) | 451,658 |
| Type of customers | | | | |
| Key customers | 59,860 | 36,983 | - | 96,843 |
| Wholesalers | 50,613 | 86,143 | - | 136,756 |
| Retailers | 34,358 | 42,107 | - | 76,465 |
| Catering | 44,728 | 17,400 | - | 62,128 |
| Exports | 27,734 | 30,507 | (1,691) | 56,550 |
| Others | 22,916 | - | - | 22,916 |
| Total | 240,209 | 213,140 | (1,691) | 451,658 |

| <u>Segments</u> | Kingdom of Saudi Arabia in thousands ﷲ | Arab Republic of Egypt in thousands ﷲ | Reconciliation in thousands ﷲ | Total in thousands ﷲ |
|--|---|--|-------------------------------------|----------------------------|
| <u>For the Six-months period ending 30 June, 2024 (Unaudited)</u> | | | | |
| Type of goods | | | | |
| Sesame products | 129,594 | 47,250 | - | 176,844 |
| Meat products | 21,465 | 167,581 | - | 189,046 |
| Other products | 93,125 | 25,435 | (1,033) | 117,527 |
| Total | 244,184 | 240,266 | (1,033) | 483,417 |
| Type of customers | | | | |
| Key customers | 58,999 | 41,276 | - | 100,275 |
| Wholesalers | 74,109 | 89,624 | - | 163,733 |
| Retailers | 32,752 | 61,115 | - | 93,867 |
| Catering | 41,732 | 18,353 | - | 60,085 |
| Exports | 22,963 | 29,898 | (1,033) | 51,828 |
| Others | 13,629 | - | - | 13,629 |
| Total | 244,184 | 240,266 | (1,033) | 483,417 |

HALWANI BROTHERS COMPANY (A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six-months period ended 30 June 2025

4 REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

Geographical markets

| For the Six-month period ended 30 June | |
|---|---------------------------|
| 2025 | 2024 |
| In thousands ﷲ | In thousands ﷲ |
| (Unaudited) | (Unaudited) |
| Kingdom of Saudi Arabia | 210,783 |
| Arab Republic of Egypt | 182,633 |
| Other markets | 58,242 |
| 451,658 | 483,417 |

5. ZAKAT AND INCOME TAX

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

| | 30 June 2025 | 31 December 2024 |
|----------------------|-------------------------|-----------------------------|
| | ﷲ | ﷲ |
| | (Unaudited) | (Audited) |
| Zakat provision | 5,877,249 | 5,275,157 |
| Income tax provision | 1,959,909 | 6,732,145 |
| | 7,837,158 | 12,007,302 |

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

| For the six-months period ended 30 June | |
|--|--------------------|
| 2025 | 2024 |
| (Unaudited) | (Unaudited) |
| Charge during the period | 1,800,000 |

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

| | 30 June 2025 | 31 December 2024 |
|--|-------------------------|-----------------------------|
| | ﷲ | ﷲ |
| | (Unaudited) | (Audited) |
| Balance at the beginning of the period /year | 5,275,157 | 1,483,437 |
| Charge during the period /year | 1,800,000 | 4,701,678 |
| Paid during the period /year | (1,197,908) | (909,958) |
| Balance at the end of the period / year | 5,877,249 | 5,275,157 |

5 ZAKAT AND INCOME TAX (Continued)

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

| | 30 June 2025 | 31 December 2024 |
|--|------------------|---------------------|
| | ﷲ | ﷲ |
| | (Unaudited) | (Audited) |
| Balance at the beginning of the period / year | 6,732,145 | 14,906,214 |
| Charge during the period / year | 2,621,544 | 10,610,491 |
| Paid during the period / year | (7,177,699) | (14,922,502) |
| Foreign currency differences | (216,081) | (3,862,058) |
| Balance at the end of the period / year | 1,959,909 | 6,732,145 |

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

| | For the six-months period ended 30 June | |
|--------------------------|--|------------------|
| | 2025 | 2024 |
| | ﷲ | ﷲ |
| | (Unaudited) | (Unaudited) |
| Current income tax | 3,185,862 | 5,197,076 |
| Deferred tax income | (564,318) | (2,305,580) |
| Income tax for dividends | 1,170,000 | - |
| Total Movement | 3,791,544 | 2,891,497 |

f) Zakat and Tax Status

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

1) Zakat

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

2) Value Added Tax

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

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

1) Corporate taxation

- The company was exempt from taxes in accordance with Law No. 8 of 1997 on Investment Guarantees until December 31, 2005.
- The Subsidiary's books and records were examined until 2018, and paid the accrued tax.
- The year 2019 has been examined, and the tax differences are currently being settled with the Tax Authority for payment.
- Tax returns have been submitted and the due taxes have been paid for the years 2020, 2021, and 2022. The company's books and records are currently under review, and no tax assessments have been issued for those years.
- Tax returns have been submitted and the due taxes have been paid for the years 2023 and 2024, and the company has not yet been notified of any inspection.

2) Value Added Tax

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

3) Payroll taxes

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

5 ZAKAT AND INCOME TAX (Continued)

f) Zakat and Tax Status

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

4) Stamp taxes

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

5) Deduction and addition tax

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

6) Real estate taxes

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

6 EARNING PER SHARE

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

The calculation of earnings per share as follows:

| | For the three-months period ended 30 June | | For the Six-months period ended 30 June | |
|---|--|--------------------------|--|--------------------------|
| | 2025 ﷲ (Unaudited) | 2024 ﷲ (Unaudited) | 2025 ﷲ (Unaudited) | 2024 ﷲ (Unaudited) |
| Net profit for the period | 2,435,669 | 15,346,799 | 13,943,096 | 10,768,271 |
| Weighted average number of shares | 35,357,145 | 35,357,145 | 35,357,145 | 35,357,145 |
| Basic and diluted earnings per share (ﷲ) | 0.07 | 0.43 | 0.39 | 0.30 |

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

7 CASH AND CASH EQUIVALENT

| | As at 30 June 2025 ﷲ (Unaudited) | As at 31 December 2024 ﷲ (Audited) |
|---------------------------|---|---|
| Cash on hand and at bank | 20,749,606 | 21,966,629 |
| Cheques under collections | 3,607,659 | 13,344,228 |
| | 24,357,265 | 35,310,857 |

8 ISLAMIC MURABAHA CONTRACTS

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

8.1 Islamic Murabaha Contracts Long Term

| | 30 June 2025 ﷲ (Unaudited) | 31 December 2024 ﷲ (Audited) |
|------------------------|-------------------------------------|---------------------------------------|
| Current portion | 16,250,000 | 16,250,000 |
| Non-current portion | 36,562,500 | 44,687,500 |
| Alrajhi Bank financing | 52,812,500 | 60,937,500 |

The parent company signed an agreement with Al Rajhi Bank to reclassify part of the value of the existing bank facilities used for financing working capital to medium-term financing in the amount of 65 million ﷲ. According to the terms of the agreement, the financing is to be repaid in quarterly installments of 4.06 million ﷲ, with the first installment due on December 31, 2024, and the financing concluding on September 30, 2028. The financing incurs financing fees (at the prevailing market rate among Saudi banks plus a profit margin). The financing is secured with promissory notes issued to the bank. As of June 30, 2025, the outstanding balance of this contract amounted to 52.8 million ﷲ (December 31, 2024: 60.9 million ﷲ).

8.2 Islamic Murabaha Contracts Short Term

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

| Finance type | Note | Currency | Amount in original currency | | Amount in Saudi Riyals | |
|--------------|------|----------------|---|---|---|---|
| | | | As at 30 June 2025 (Unaudited) | As at 31 December 2024 (Audited) | As at 30 June 2025 (Unaudited) | As at 31 December 2024 (Audited) |
| Tawaruq | A | ﷲ | 68,250,000 | 70,000,000 | 68,250,000 | 70,000,000 |
| Tawaruq | A | ﷲ | 8,263,001 | 12,937,544 | 8,263,001 | 12,937,544 |
| Tawaruq | A | ﷲ | 43,700,677 | 43,117,182 | 43,700,677 | 43,117,182 |
| Murabaha | B | Egyptian Pound | 551,813,698 | 395,287,671 | 41,570,392 | 29,173,443 |
| Murabaha | B | Egyptian Pound | 39,989,327 | 106,945,485 | 3,012,560 | 7,892,772 |
| Murabaha | B | Egyptian Pound | 211,001,178 | 88,645,849 | 15,895,585 | 6,542,226 |
| Murabaha | B | Egyptian Pound | 118,437,602 | 97,479,773 | 8,922,391 | 7,194,185 |
| Murabaha | B | Egyptian Pound | 24,768,756 | 32,464,192 | 1,865,932 | 2,395,917 |
| Murabaha | B | Egyptian Pound | 72,461,102 | 96,158,410 | 5,458,792 | 7,096,666 |
| Murabaha | B | US Dollar | 759,566 | - | 2,837,749 | - |
| Murabaha | B | US Dollar | 330,995 | - | 1,238,388 | - |
| Murabaha | B | US Dollar | 500,000 | - | 1,870,705 | - |
| | | | | | 202,886,172 | 186,349,935 |

- a) The parent company entered into short-term Islamic Murabaha contracts (Tawarruq) with local banks in the Kingdom of Saudi Arabia guaranteed by promissory notes. These murabahas are paid within a period of three to eight months, and the parent company pays financing charges on the financing according to the prevailing market rate between Saudi banks plus a profit margin, as of 30 June 2025, the outstanding balance of these contracts amounted to 120.2 million ﷲ (31 December 2024: 126,05 million ﷲ).
- b) The subsidiary also entered into short Murabaha contracts with local banks in the Arab Republic of Egypt to finance its operations. The subsidiary company pays financing charges according to the market price. As of 30 June 2025, the outstanding balance of these contracts amounted to 82,7 million ﷲ (31 December 2024: 60,3 million ﷲ).

HALWANI BROTHERS COMPANY (A SAUDI JOINT STOCK COMPANY)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six-months period ended 30 June 2025

9 RELATED PARTIES TRANSACTIONS AND BALANCES

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

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

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

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

| | Nature of transaction | Transaction for the six-month period ended | | As at | |
|--|------------------------------|---|-------------|---------------------|-------------------------|
| | | 2025 | 2024 | 30 June 2025 | 31 December 2024 |
| Albaik food systems Co. | Selling finished goods | 4,117,597 | 4,494,818 | 1,262,086 | 1,397,055 |
| Aquat Food Industries | Selling finished goods | 1,090,015 | 1,172,301 | 49,396 | 246,456 |
| Al Wasta Food Services Co. Ltd | Selling finished goods | 441,524 | 508,692 | 93,587 | 324,133 |
| Halwani and Altahan Company | Selling finished goods | 7,800 | - | - | - |
| Halwani International LLC | Selling finished goods | 30,561 | - | 5,604 | 374 |
| Food Service group company | Selling finished goods | - | - | 9,614 | 9,614 |
| Dallah Taibah Hotel | Selling finished goods | 42,195 | 85,020 | 2,569 | 7,339 |
| Dallah hospital | Selling finished goods | 142,051 | 151,608 | 46,781 | 45,048 |
| | | | | 1,469,637 | 2,030,019 |
| Less: impairment of the value of related parties | | | | (9,614) | (9,614) |
| | | | | 1,460,023 | 2,020,405 |

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

| | Nature of transaction | Transaction for the six-months period ended | | As at | |
|----------------|------------------------------|--|---------------------------------|---------------------------------|-----------------------------------|
| | | 30 June 2025 (Unaudited) | 30 June 2024 (Unaudited) | 30 June 2025 (Unaudited) | 31 December 2024 (Audited) |
| | Islamic Murabaha | - | 12,176,254 | - | - |
| Albaraka Bank* | Financing expense and income | 1,368 | 641,031 | - | - |

9 RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)

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

*Al Baraka Bank balance is allocated as follows:

| | As at 30 June 2025 (Unaudited) | As at 31 December 2024 (Audited) |
|------------------|---|---|
| Current accounts | 14,676 | 34,525 |
| | 14,676 | 34,525 |

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

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

| | For the six-month period ended 30 June | |
|---|---|---------------------|
| | 2025 (Unaudited) | 2024 (Unaudited) |
| Salaries and other benefits | 7,368,847 | 6,824,187 |
| End of service benefits | 156,384 | 109,299 |
| Rewards and allowances for attending the meetings | 2,753,323 | 3,266,606 |
| | 10,278,554 | 10,200,092 |

10 FAIR VALUES MEASUREMENT

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

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

10.1 Financial assets

| | As at 30 June 2025 (Unaudited) | As at 31 December 2024 (Audited) |
|--|---|---|
| Trade receivables and other current assets | 172,315,975 | 138,078,709 |
| Cash and cash equivalent | 24,357,265 | 35,310,857 |
| | 196,673,240 | 173,389,566 |

10.2 Financial liability

| | As at 30 June 2025 (Unaudited) | As at 31 December 2024 (Audited) |
|--|---|---|
| Trade payables | 67,285,503 | 71,521,042 |
| Accrued expenses and other current liabilities | 116,802,873 | 115,052,278 |
| Islamic Murabaha Contracts | 255,698,672 | 247,287,435 |
| Lease contract obligations | 16,254,855 | 15,371,530 |
| | 456,041,903 | 449,232,285 |

10 FAIR VALUES MEASUREMENT (Continued)

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

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

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

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

11 CONTINGENT LIABILITIES

The commitments and contingent liabilities are as follows:

| | As of 30 June 2025 (Unaudited) ﷲ | As of 31 December 2024 (Audited) ﷲ |
|---|--|--|
| Letters of guarantee and documents for collection issued by banks | <u>41,523,901</u> | <u>70,668,766</u> |

12 COMPARATIVE FIGURES

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

| | As at 30 June 2024 | | |
|---|--------------------------------|-------------------------|-------------------------------|
| <u>INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</u> | <u>Before reclassification</u> | <u>Reclassification</u> | <u>After reclassification</u> |
| Finance costs | (30,637,782) | 18,037,784 | (12,599,998) |
| Loss on foreign currency differences | (8,184,392) | (18,037,784) | (26,222,176) |

13 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements for the Group for the period ended 30 June 2025, were approved by the Board of Directors on 29/07/2025.