

HORIZON FOOD COMPANY

(A Saudi Joint Stock Company)

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND NINE-MONTH
PERIODS ENDED 30 SEPTEMBER 2025
AND INDEPENDENT AUDITOR'S REVIEW REPORT**

HORIZON FOOD COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT

For the three-month and nine-month periods ended 30 September 2025

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF HORIZON FOOD COMPANY
(A Saudi Joint Stock Company)**

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Horizon Food Company (A Saudi Joint Stock Company) ("the Company") as at 30 September 2025, and the interim condensed statement of profit or loss and the other comprehensive income for the three-month and nine-month periods ended 30 September 2025, and the interim condensed statements of changes in shareholders' equity and cash flows for the nine-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

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

Conclusion

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

For Maham Company for Professional Services


Abdulaziz Saud Al Shabeebi
Certified Public Accountant
License no. (339)



Date: 14 Jumada I 1447 H
5 November 2025



HORIZON FOOD COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

		30 September 2025	31 December 2024
		ﷲ	ﷲ
	<i>Note</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	83,479,407	53,358,800
Projects under construction	5	3,212,605	34,739,918
Right-of-use assets		465,177	506,353
TOTAL NON-CURRENT ASSETS		87,157,189	88,605,071
CURRENT ASSETS			
Inventories	6	31,316,256	23,423,574
Prepayments and other debit balances	7	3,698,680	3,874,867
Trade receivables, net	8	4,122,991	4,660,130
Bank balances		6,239,481	3,574,854
TOTAL CURRENT ASSETS		45,377,408	35,533,425
TOTAL ASSETS		132,534,597	124,138,496
SHAREHOLDERS EQUITY AND LIABILITIES			
SHAREHOLDERS EQUITY			
Share capital	9	80,000,000	80,000,000
Reserve	10	2,234,733	2,234,733
Retained earnings		38,294,879	29,925,928
TOTAL SHAREHOLDERS EQUITY		120,529,612	112,160,661
LIABILITIES			
NON-CURRENT LIABILITIES			
Employees' defined benefits obligations		1,340,128	1,079,357
Lease liabilities - non-current portion		492,373	492,373
TOTAL NON-CURRENT LIABILITIES		1,832,501	1,571,730
CURRENT LIABILITIES			
Accounts payable		5,888,493	6,351,557
Accrued expenses and other current liabilities	11	2,967,332	3,330,322
Lease liabilities - current portion		50,744	58,311
Zakat provision	12	1,265,915	665,915
TOTAL CURRENT LIABILITIES		10,172,484	10,406,105
TOTAL LIABILITIES		12,004,985	11,977,835
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		132,534,597	124,138,496

Chairman of Board of Directors

Yousif Abdullah Alrajhi



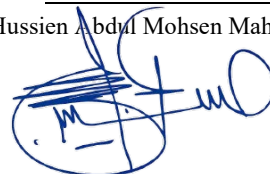
Chief Executive Officer

Khadim Sarwar



Chief Financial Officer

Hussien Abdul Mohsen Mahmoud



The attached notes 1 to 20 form an integral part of these interim condensed financial statements.

HORIZON FOOD COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three-month and nine-month periods ended 30 September 2025

	Note	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2025	2024	2025	2024
		ﷲ	ﷲ	ﷲ	ﷲ
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	14	16,743,211	15,739,594	53,710,268	45,864,898
Cost of revenue		(11,102,905)	(10,229,149)	(35,829,032)	(30,950,056)
GROSS PROFIT		5,640,306	5,510,445	17,881,236	14,914,842
EXPENSES					
Selling and marketing		(1,235,078)	(1,118,233)	(3,429,826)	(2,997,865)
General and administration		(2,357,026)	(1,771,015)	(6,019,708)	(4,797,812)
PROFIT FROM MAIN OPERATIONS		2,048,202	2,621,197	8,431,702	7,119,165
Finance cost		(1,678)	(1,678)	(5,033)	(5,033)
Other income, net		99,708	-	542,282	84,057
PROFIT BEFORE ZAKAT		2,146,232	2,619,519	8,968,951	7,198,189
Zakat	12	(300,000)	(90,000)	(600,000)	(230,000)
NET PROFIT FOR THE PERIOD		1,846,232	2,529,519	8,368,951	6,968,189
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,846,232	2,529,519	8,368,951	6,968,189
EARNINGS PER SHARE					
Basic and diluted earnings per share from net profit for the period attributable to shareholders of the Company	13	0.23	0.32	1.05	0.87

Chairman of Board of Directors
Yousif Abdullah Alrajhi



Chief Executive Officer
Khadim Sarwar



Chief Financial Officer
Hussien Abdul Mohsen Mahmoud



HORIZON FOOD COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the nine-month period ended 30 September 2025

	<i>Share capital</i> ﷲ	<i>Reserve</i> ﷲ	<i>Retained earnings</i> ﷲ	<i>Total equity</i> ﷲ
As at 31 December 2023 (audited)	80,000,000	2,234,733	20,118,745	102,353,478
Total comprehensive income for the period	-	-	6,968,189	6,968,189
Balance at 30 September 2024 (unaudited)	<u>80,000,000</u>	<u>2,234,733</u>	<u>27,086,934</u>	<u>109,321,667</u>
As at 31 December 2024 (audited)	80,000,000	2,234,733	29,925,928	112,160,661
Total comprehensive income for the period	-	-	8,368,951	8,368,951
Balance at 30 September 2025 (unaudited)	<u>80,000,000</u>	<u>2,234,733</u>	<u>38,294,879</u>	<u>120,529,612</u>

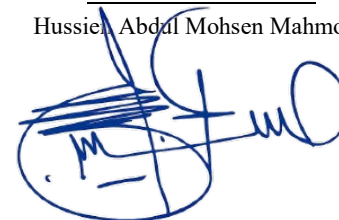
Chairman of Board of Directors
Yousif Abdullah Alrajhi



Chief Executive Officer
Khadim Sarwar



Chief Financial Officer
Hussien Abdul Mohsen Mahmoud



HORIZON FOOD COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the nine-month period ended 30 September 2025

	For the nine-month period ended 30 September	
	2025	2024
	ﷲ	ﷲ
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Profit before zakat	8,968,951	7,198,189
<i>Non-cash adjustments to reconcile profit before zakat to net cash flows from operating activities :</i>		
Depreciation for property and equipment	3,336,569	2,265,769
Depreciation of right-of-use assets	41,176	10,382
(Gain) / loss on disposal of property and equipment	(204,951)	3,638
Provision for expected credit losses of receivables	129,001	-
Employees' defined benefits obligations	328,063	322,310
Finance cost	5,033	5,033
	<u>12,603,842</u>	<u>9,805,321</u>
Working capital adjustments:		
Trade receivables, net	408,138	(41,959)
Prepayments and other debit balances	176,187	1,066,386
Inventories	(7,892,682)	(19,791,527)
Accounts payable	(463,064)	5,835,163
Accrued expenses and other current liabilities	(362,990)	998,929
Cash flows from/(used in) operations	<u>4,469,431</u>	<u>(2,127,687)</u>
Employees' defined benefits obligations paid	(67,292)	(241,822)
Net cash flows from/(used in) operating activities	<u>4,402,139</u>	<u>(2,369,509)</u>
INVESTING ACTIVITIES		
Addition of property and equipment	(1,281,624)	(100,308)
Proceeds from disposal of property and equipment	220,769	4,000
Additions to projects under construction	(664,057)	(3,699,954)
Net cash flows used in investing activities	<u>(1,724,912)</u>	<u>(3,796,262)</u>
FINANCING ACTIVITY		
Payment of principal portion of lease liabilities	(12,600)	(56,697)
Net cash flows used in financing activity	<u>(12,600)</u>	<u>(56,697)</u>
NET CHANGE IN BANK BALANCES	2,664,627	(6,222,468)
Bank balances at the beginning of the period	3,574,854	6,859,010
BANK BALANCES AT THE END OF PERIOD	<u>6,239,481</u>	<u>636,542</u>
NON-CASH TRANSACTIONS		
Transfer of projects under construction to property and equipment	<u>32,191,370</u>	<u>-</u>

Chairman of Board of Directors

Yousif Abdullah Alrajhi

Chief Executive Officer

Khadim Sarwar

Chief Financial Officer

Hussien Abdul Mohsen Mahmoud

The attached notes 1 to 20 form an integral part of these interim condensed financial statements.

HORIZON FOOD COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

At 30 September 2025

1 ACTIVITIES

- 1.1 Horizon Food Company (the “Company”) is a joint stock company. The Company was established in the Kingdom of Saudi Arabia under Commercial Registration No. 2051220421 and unified No. 7002602279 in the city of Khobar dated 06 Jumada II 1439H (corresponding to 22 February 2018).

The Company's main activities include cutting, processing, packing and wrapping of meat and poultry, producing sausages and hamburgers from meat, and producing various types of poultry, rabbits, birds, and chilled and frozen meat.

- 1.2 The Company has the following branches:

<i>Commercial registration</i>	<i>Date</i>	<i>Location</i>
2050105126	27/05/1436	Dammam
2251067369	11/04/1438	Al-Hofuf

- 1.3 The Company's head office is located in Dammam, P.O. Box 34857, Dammam 2383, Kingdom of Saudi Arabia.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’ (“IAS 34”) as endorsed in KSA and other standards and pronouncements that are endorsed by the Saudi Organisation for Chartered and Professional Accountants (“SOCPA”).

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements as at 31 December 2024. In addition, results shown in these interim condensed financial statements may not be an indicative for the annual results of the Company's operations.

2.2 Basis of measurement

These interim condensed financial statements are prepared using historical cost convention, except for employees defined benefits obligation, that are measured at present value of expected benefits obligation.

2.3 Functional and presentation currency

These interim condensed financial statements are presented in Saudi Arabian Riyals (ﷻ), which is also the functional currency of the Company.

HORIZON FOOD COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 30 September 2025

2 BASIS OF PREPARATION (continued)

2.4 New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The Company has adopted the following relevant amendments to IFRS which are effective for periods beginning on and after 1 January 2025, and have no impact on the Company's transactions and balances for the current or prior periods:

- Lack of exchangeability - Amendments to IAS 21.

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's interim condensed financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements for the year ended 31 December 2024.

Horizon Food Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 30 September 2025

4 PROPERTY AND EQUIPMENT

	<i>Buildings</i>	<i>Machinery and equipment</i>	<i>Motor vehicles</i>	<i>Furniture and fixtures</i>	<i>Office equipment</i>	<i>Total</i>
	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>
<i>Cost:</i>						
At 1 January 2024	13,843,386	23,247,849	2,701,872	195,079	720,096	40,708,282
Additions	-	117,261	-	3,686	25,159	146,106
Disposals	-	-	-	(14,031)	-	(14,031)
Transfer from projects under construction	30,025,047	-	-	-	-	30,025,047
At 31 December 2024	43,868,433	23,365,110	2,701,872	184,734	745,255	70,865,404
Additions	125,937	206,029	856,652	69,414	23,592	1,281,624
Disposals	-	-	(628,602)	-	-	(628,602)
Transfer from projects under construction	4,363,035	24,569,167	320,000	541,590	2,397,578	32,191,370
At 30 September 2025	48,357,405	48,140,306	3,249,922	795,738	3,166,425	103,709,796
<i>Depreciation:</i>						
At 1 January 2024	5,448,985	6,593,520	2,017,508	103,399	295,431	14,458,843
Charge for the year	922,132	1,664,452	386,169	19,276	62,124	3,054,153
Disposals	-	-	-	(6,392)	-	(6,392)
At 31 December 2024	6,371,117	8,257,972	2,403,677	116,283	357,555	17,506,604
Charge for the period	1,777,801	1,210,973	283,266	15,813	48,716	3,336,569
Disposals	-	-	(612,784)	-	-	(612,784)
At 30 September 2025	8,148,918	9,468,945	2,074,159	132,096	406,271	20,230,389
<i>Net book value:</i>						
At 30 September 2025 (Unaudited)	40,208,487	38,671,361	1,175,763	663,642	2,760,154	83,479,407
At 31 December 2024 (Audited)	37,497,316	15,107,138	298,195	68,451	387,700	53,358,800

- The factories buildings are located on two plots of land leased from MODON for periods of 17 and 20 years, respectively, renewable for further periods upon agreement between the parties. The initial lease term expires on 11 December 2035 and 5 March 2038, respectively.

HORIZON FOOD COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 30 September 2025

5 PROJECTS UNDER CONSTRUCTION

The Company has established a new factory to expand production capabilities for meat and poultry products, including sausages, hamburgers, and chilled and frozen poultry, rabbits, birds and meat. Construction costs were capitalized as projects under construction. The Company has capitalized the majority of the project during the period.

	<i>30 September 2025</i>	<i>31 December 2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
<i>Cost:</i>		
At the beginning of the period/year	34,739,918	60,509,948
Additions	664,057	4,255,017
Transfer to property and equipment	(32,191,370)	(30,025,047)
At the end of the period/year	<u>3,212,605</u>	<u>34,739,918</u>

As of the quarter end, the projects under construction included ﷲ 2,834,005 related to the implementation of new ERP system that is expected to be completed before year-end.

6 INVENTORIES

	<i>30 September 2025</i>	<i>31 December 2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Raw materials	28,782,119	20,467,209
Finished goods	2,534,137	2,956,365
	<u>31,316,256</u>	<u>23,423,574</u>

7 PREPAYMENTS AND OTHER DEBIT BALANCES

	<i>30 September 2025</i>	<i>31 December 2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Advances to suppliers	1,668,897	1,497,297
Prepaid expenses	1,027,981	1,305,282
Advances to employees	1,001,802	1,072,288
	<u>3,698,680</u>	<u>3,874,867</u>

8 TRADE RECEIVABLES, NET

	<i>30 September 2025</i>	<i>31 December 2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Trade receivables	4,402,302	4,810,440
Less: provision for expected credit losses	(279,311)	(150,310)
	<u>4,122,991</u>	<u>4,660,130</u>

HORIZON FOOD COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 30 September 2025

8 TRADE RECEIVABLES, NET (continued)

The analysis of receivables ageing was as follows:

	Not due	0-90 days	91-150 days	More than 151 days	Total
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
As at 30 September 2025	1,143,490	471,644	42,766	2,744,402	4,402,302
As at 31 December 2024	2,422,846	986,038	219,967	1,181,589	4,810,440

9 SHARE CAPITAL

The share capital of the Company is divided into 8,000,000 shares with a nominal value of ﷲ 10 each (30 September 2024 and 31 December 2024: same).

10 RESERVE

During the year 2024, the Company amended its By-Laws to comply with the new Companies Regulations requirements issued by Royal Decree M/132 dated 30 June 2022 and consequently, the Company is no longer required to appropriate statutory reserve and accordingly, the reserve appropriated during the prior years will be subject to shareholders resolution in the future, either to keep it as a general reserve, or transfer it back to retained earnings.

11 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	<i>30 September 2025</i>	<i>31 December 2024</i>
	ﷲ	ﷲ
	<i>(Unaudited)</i>	<i>(Audited)</i>
Accrued expenses	1,305,191	2,164,639
VAT	706,938	677,858
Accrued commissions	549,194	424,161
Advances from customers	406,009	63,664
	<u>2,967,332</u>	<u>3,330,322</u>

HORIZON FOOD COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 30 September 2025

12 ZAKAT

12.1 Charge for the period

The charge for the interim period is calculated based on estimated zakat charge for the whole year.

12.2 Movements in provision during the period/year

The movement in the zakat provision was as follows:

	30 September 2025	31 December 2024
	ﷲ	ﷲ
	(Unaudited)	(Audited)
At the beginning of the period/year	665,915	428,129
Provided during the period/year	600,000	671,650
Payments during the period/year	-	(433,864)
At the end of the period/year	<u>1,265,915</u>	<u>665,915</u>

12.3 Status of assessments

The Company has submitted its zakat returns for all years from inception up to the year ended 31 December 2024 and has obtained the required certificates.

13 EARNINGS PER SHARE

Basic and diluted earnings per share (EPS) is calculated by dividing the net profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

The following reflects the income and ordinary shares outstanding data used in the basic and diluted earnings per share calculation of the shareholders of the Company:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2025	2024	2025	2024
	ﷲ	ﷲ	ﷲ	ﷲ
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net profit attributable to equity holders of the Company	1,846,232	2,529,519	8,368,951	6,968,189
Weighted average number of ordinary shares outstanding	8,000,000	8,000,000	8,000,000	8,000,000
Basic and diluted earnings per share from net profit for the period	0.23	0.32	1.05	0.87

HORIZON FOOD COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
At 30 September 2025

14 REVENUE

The Company principally derives sales from the delivery of goods at a point of time as follows:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2025	2024	2025	2024
	ﷲ	ﷲ	ﷲ	ﷲ
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Chicken shawarma sales, net	10,915,429	12,728,914	37,145,454	37,806,155
Chicken tender sales, net	3,144,340	145,500	8,503,879	145,500
Beef shawarma sales, net	2,028,515	2,443,455	6,558,529	7,223,726
Doner Kebab sales, net	322,000	421,725	877,885	689,517
Cooked chicken and meat shawarma sales, net	332,927	-	617,059	-
Potato sales, net	-	-	7,462	-
Total revenue	16,743,211	15,739,594	53,710,268	45,864,898

Set out below is the sales by geographic region:

In Kingdom sales	15,823,211	14,197,824	49,827,268	41,615,562
GCC countries sales	920,000	1,541,770	3,883,000	4,249,336
	16,743,211	15,739,594	53,710,268	45,864,898

15 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders, members of the board of directors, and key management personnel of the Company, and entities controlled or significantly influenced by such parties.

The significant related parties transactions are as follows:

	For the nine-month period ended 30 September	
	2025	2024
	ﷲ	ﷲ
	(Unaudited)	(Unaudited)
Salaries and allowances of executives	663,625	898,959
Remuneration and bonus to board of directors and other board members	50,348	79,500
	713,973	978,459

16 FAIR VALUE 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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement. There were no changes in the Company's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between Levels 1, 2 or 3 during the nine-month period ended 30 September 2025 (31 December 2024: same). As of the reporting date, there were no Level 1, 2 or 3 assets or liabilities.

HORIZON FOOD COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (continued)
At 30 September 2025

16 FAIR VALUE MEASUREMENT (continued)

Financial instruments by categories

	<i>30 September 2025</i>	<i>31 December 2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Financial assets measured at amortized cost		
Trade receivables, net	4,122,991	4,660,130
Bank balances	6,239,481	3,574,854
Other debit balances	1,001,802	1,072,288
	<u>11,364,274</u>	<u>9,307,272</u>
Financial liabilities measured at amortized cost		
Accounts payable	5,888,493	6,351,557
Accrued expenses and other current liabilities	2,561,323	3,266,658
Lease liabilities	543,117	550,684
	<u>8,992,933</u>	<u>10,168,899</u>

17 SEGMENT INFORMATION

A segment is a distinguishable component of the Company that is engaged in managing a business segment or in providing products or services within a particular economic environment (a geographic segment), which is subject to risks and rewards that are different from those of other segments.

The Board of Directors of the Company monitor the results of the Company's operations and have been identified as the Chief Operating Decision Maker (CODM). The net results of the Company are reported to the Board of Directors, for the Company as a whole. The various expenses which are included in the measurement of the net result for the Company are disclosed in the respective notes to the interim condensed financial statements.

The Company's activities are limited to sales of meat and poultry products. The Company analyses the financial information of its operations as a whole. Accordingly, segmental analysis of the interim condensed statement profit or loss and other comprehensive income and interim condensed statement of financial position is not presented. The CODM considers the Company to be a single operating segment based on the nature of its operations and services as all of the Company's operations relate to one operating sector. In addition, major portion of the Company's activities are concentrated in the Kingdom of Saudi Arabia. Consequently, the Company does not disclose business segments or geographical segments.

18 CONTINGENCIES AND COMMITMENTS

The Company is a party to a number of lawsuits that are being litigated. Although the final outcome of these lawsuits cannot be determined based on the advice of legal counsel, the Company does not expect these lawsuits to have any material adverse effect on the Company's interim condensed statement of financial position nor the results of its operations.

19 SUBSEQUENT EVENTS

In the opinion of the management, there have been no significant subsequent events since the period ended 30 September 2025 which would require either a disclosure or have a material impact on the Company's interim condensed financial statements.

20 APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed financial statements were approved and authorized for issuance by the board of directors on 14 Jumada I 1447 H (corresponding to 5 November 2025).