RAYDAN FOOD COMPANY
(A LISTED JOINT STOCK COMPANY)

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

RAYDAN FOOD COMPANY
(A LISTED JOINT STOCK COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE- AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

PKF Al-Bassam
Chartered Accountants

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

TO THE SHAREHOLDERS OF RAYDAN FOOD COMPANY
(A LISTED JOINT STOCK COMPANY)

INTRODUCTION

We have reviewed the accompanying interim condensed financial statements as at 30 June 2026 of Raydan Food Company, a listed Joint Stock Company (the "Company"), which comprise:

- The interim condensed statement of financial position as at 30 June 2026.
- Interim Condensed Statement of Profit or Loss and Other Comprehensive Income for the three- and six-month periods ended 30 June 2026.
- The interim condensed statement of changes in shareholders' equity for the six-month period ended 30 June 2026.
- The interim condensed statement of cash flows for the six-month period ended 30 June 2026.
- The notes to the interim condensed financial statements.

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

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review 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 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 financial statements have not been prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting", as endorsed in the Kingdom of Saudi Arabia.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 19 to the financial statements, which indicates that the Company's total accumulated losses as at 30 June 2026 amounted to SAR 78.3 million, representing 107% of its share capital (31 December 2025: SAR 56 million, representing 76.6% of share capital). The Company's current liabilities also exceeded its current assets, resulting in a working capital deficit of SAR 66.0 million (31 December 2025: SAR 60.0 million). These events or conditions, together with the other matters set forth in Note 19, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Nevertheless, the Company principally relies on implementing its business plans to generate sufficient cash flows to enable it to meet its obligations as they fall due and continue its operations. Accordingly, the Company's interim condensed financial statements have been prepared on a going concern basis. Our conclusion is not modified in respect of this matter.

For PKF Al Bassam Chartered Accountants

شركة بي كي اف البسام
محاسبون ومراجعون قانونيون
C. R. 1010385804
PKF Al Bassam
chartered accountants

Ibrahim Ahmed Al Bassam
Certified Public Accountant
License No. 337
Jeddah: 4 Rabi' al-Awwal 1448H
Corresponding to: 17 August 2026G

RAYDAN FOOD COMPANY
(A LISTED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at 30 June 2026
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Assets			
Non-current assets			
Property, plant and equipment, net	4	**45,532,684**	71,356,176
Right-of-use assets, net	5	**33,506,846**	36,605,890
Investment in an associate accounted for using the equity method	6	**16,277,784**	16,205,833
Intangible assets, net		**108,932**	142,526
Total non-current assets		**95,426,246**	124,310,425
Current assets			
Inventories, net		**590,811**	1,208,377
Trade receivables, net	8	**1,449,124**	4,796,320
Due from a related party	15	**1,166,326**	1,166,326
Prepayments and other receivables, net	9	**5,254,867**	3,714,321
Cash and cash equivalents		**1,304,294**	1,353,666
Total current assets before assets held for sale		**9,765,422**	12,239,010
Assets of discontinued operations	7	**419,253**	257,152
Total current assets		**10,184,675**	12,496,162
Total Assets		**105,610,921**	136,806,587
Shareholders' (Deficit) / Equity and Liabilities			
Shareholders' (deficit) / equity			
Share capital		**73,136,030**	73,136,030
Accumulated losses		**(78,320,546)**	(55,989,599)
Total shareholders' (deficit) / equity		**(5,184,516)**	17,146,431
Liabilities			
Non-current liabilities			
Lease liabilities - non-current portion	5	**30,027,186**	37,951,965
Defined employee benefit obligations		**4,575,771**	9,171,866
Total non-current liabilities		**34,602,957**	47,123,831
Current liabilities			
Lease liabilities - current portion	5	**8,983,084**	9,997,923
Long-term loan - current portion	10	**--**	3,367,843
Trade payables		**12,973,257**	24,660,226
Accrued expenses and other payables	11	**33,604,145**	33,724,205
Provision for potential claims	12	**18,035,435**	--
Liabilities of discontinued operations	7	**2,520,787**	709,910
Zakat payable	14	**75,772**	76,218
Total current liabilities		**76,192,480**	72,536,325
Total Liabilities		**110,795,437**	119,660,156
Total Shareholders' (deficit) / Equity and Liabilities		**105,610,921**	136,806,587

Chief Executive Officer
Khalil Kamil Abou Fadel

Chairman of the Board
Nair Bayan Al-Sulami

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

RAYDAN FOOD COMPANY
(A LISTED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME(UNAUDITED)
FOR THE THREE- AND SIX-MONTH PERIODS ENDED 30 JUNE 2026
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Revenue		**3,483,621**	18,332,713	**20,660,235**	53,143,977
Cost of revenue		**(8,484,938)**	(26,049,381)	**(25,969,123)**	(65,188,708)
Gross loss		**(5,001,317)**	(7,716,668)	**(5,308,888)**	(12,044,731)
Selling and marketing expenses		**(423,458)**	(1,789,129)	**(1,222,964)**	(1,810,401)
General and administrative expenses		**(5,509,671)**	(1,190,924)	**(6,613,736)**	(1,899,035)
Expected credit losses	8	**(402,344)**	(1,601,572)	**(402,344)**	(1,601,572)
Operating loss		**(11,336,790)**	(12,298,293)	**(13,547,932)**	(17,355,739)
Share of results of an associate accounted for using the equity method	6	**1,605,723**	2,613,176	**71,951**	1,649,762
Finance costs		**(980,215)**	(775,669)	**(1,064,249)**	(1,669,930)
Other expenses / income, Net		**(575,233)**	2,506,058	**(1,091,418)**	3,063,694
Loss before zakat		**(11,286,515)**	(7,954,728)	**(15,631,648)**	(14,312,213)
Zakat	14	**--**	--	**--**	--
Net loss from continuing operations		**(11,286,515)**	(7,954,728)	**(15,631,648)**	(14,312,213)
Discontinued operations:					
Loss of discontinued operations	7	**(4,932,845)**	(2,592,468)	**(6,699,299)**	(4,077,219)
Net loss of discontinued operations		**(4,932,845)**	(2,592,468)	**(6,699,299)**	(4,077,219)
Net loss for the period		**(16,219,360)**	(10,547,196)	**(22,330,947)**	(18,389,432)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of employee benefit obligations		**--**	--	**--**	--
Total other comprehensive loss		**--**	--	--	--
Total comprehensive loss		**(16,219,360)**	(10,547,196)	**(22,330,947)**	(18,389,432)
Loss per share from the net loss for the period:					
Basic and Diluted	13	**(2.20)**	(0.67)	**(3.05)**	(1.16)
Loss per share from continuing operations:					
Basic and Diluted	13	**(1.54)**	(0.50)	**(2.14)**	(0.91)

Chief Executive Officer	**Chairman of the Board**
Khalil Kamil Abou Fadel	Nair Bayan Al-Sulami

RAYDAN FOOD COMPANY
(A LISTED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
For the six-month period ended 30 June 2026
(All amounts are in Saudi Riyals unless otherwise stated)

	Share capital	Accumulated losses	Foreign currency translation reserve	Total shareholders' (deficit) / equity
For the six-month period ended 30 June 2026				
As at 1 January 2026 (Audited)	73,136,030	(55,989,599)	--	17,146,431
Net loss for the period	**--**	**(22,330,947)**	**--**	**(22,330,947)**
Other comprehensive loss	**--**	**--**	**--**	**--**
Total comprehensive loss	**--**	**(22,330,947)**	**--**	**(22,330,947)**
As at 30 June 2026 (Unaudited)	**73,136,030**	**(78,320,546)**	**--**	**(5,184,516)**
For the six-month period ended 30 June 2025				
As at 1 January 2025 (Audited)	158,084,670	(77,386,141)	279,728	80,978,257
Net loss for the period	--	(18,389,432)	--	(18,389,432)
Other comprehensive loss	--	--	--	--
Total comprehensive loss	--	(18,389,432)	--	(18,389,432)
Derecognition of foreign currency translation reserve - subsidiary under liquidation	--	279,728	(279,728)	--
As at 30 June 2025 (Unaudited)	158,084,670	(95,495,845)	--	62,588,825

Chief Executive Officer
Khalil Kamil Abou Fadel

Chairman of the Board
Nair Bayan Al-Salami

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

RAYDAN FOOD COMPANY
(A LISTED JOINT STOCK COMPANY)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
For the six-month period ended 30 June 2026
(All amounts are in Saudi Riyals unless otherwise stated)

		For the period ended 30 June	
	Note	**2026 (Unaudited)**	2025 (Unaudited)
Cash flows from operating activities			
Net loss before zakat from continuing operations		**(15,631,648)**	(14,312,213)
Net loss from discontinued operations		**(6,699,299)**	(4,077,219)
Net loss for the period, including loss from discontinued operations		**(22,330,947)**	(18,389,432)
Adjustments for non-cash items:			
Depreciation of property, plant and equipment	4	**4,006,121**	4,767,544
Amortization of right-of-use assets	5	**3,629,004**	4,125,967
Provision for potential claims		**2,159,412**	--
Gain on disposal of right-of-use assets	5	**(5,238,027)**	--
Amortization of intangible assets		**20,621**	20,619
Finance costs		**1,314,729**	1,669,930
Loss on disposal of intangible assets		**12,973**	--
Impairment of amount due from a related party	15	**--**	230,232
Expected credit losses	8	**402,344**	1,601,572
Loss / (gain) on disposal of property, plant and equipment	4	**10,729,422**	(146,154)
Share of results of an associate accounted for using the equity method	6	**(71,951)**	(1,649,762)
Defined employee benefit obligations		**447,626**	481,658
Company's share of discontinued operations - subsidiary under liquidation	7	**(3,957)**	--
		(4,922,630)	(7,287,826)
Changes in current assets and liabilities:			
Inventories		**617,566**	1,338,912
Trade receivables		**2,944,852**	(4,042,093)
Due from a related party		**--**	141,678
Prepayments and other receivables		**(1,540,546)**	797,939
Trade payables		**(4,650,296)**	7,818,641
Accrued expenses and other payables		**3,627,939**	8,889,798
Cash (used in) generated from operations		**(3,923,115)**	7,657,049
Finance costs paid		**(1,314,729)**	--
Defined employee benefit obligations paid		**(461,877)**	(2,413,479)
Zakat and income tax paid	14	**(446)**	(526,539)
Net cash (used in) generated from operating activities		**(5,700,167)**	4,717,031
Cash flows from investing activities			
Purchase of property, plant and equipment	4	**(140,204)**	(862,813)
Proceeds from disposal of property, plant and equipment	4	**9,888,817**	3,982,300
Obligations of discontinued operations - subsidiary under liquidation		**--**	442,291
Net cash generated from investing activities		**9,748,613**	3,561,778

Chief Executive Officer
Khalil Kamil Abou Fadel

Chairman of the Board
Nair Bayan Al-Sulami

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

(All amounts are in Saudi Riyals unless otherwise stated)

	Note	For the period ended 30 June 2026 (Unaudited)	2025 (Unaudited)
Cash flows from financing activities			
Repayment of loans	10	**(3,367,843)**	(989,176)
Payment of finance lease liabilities	5	**(729,975)**	(7,494,373)
Net cash used in financing activities		**(4,097,818)**	(8,483,549)
Net change in cash and cash equivalents		**(49,372)**	(204,740)
Cash and cash equivalents at the beginning of the period		**1,353,666**	1,199,555
Cash and cash equivalents at the end of the period		**1,304,294**	994,815
Non-cash transactions			
Right-of-use assets		**(6,090,062)**	--
Lease liabilities		**4,920,726**	--
Loss on disposal of property, plant and equipment		**1,169,336**	--
Repayment of loans		**(326,870)**	(1,669,930)
Deferred financing costs		**326,870**	--
Amortization of prepaid financing costs		**--**	196,122
Amortization of financing costs relating to lease liabilities		**--**	1,473,808
Lease liabilities		**2,332,240**	--
Accrued expenses and other payables		**(2,332,240)**	--
Provision for potential claims		**15,876,023**	--
Trade payables		**(7,036,673)**	--
Lease liabilities		**(1,759,941)**	--
Accrued expenses and other payables		**(2,497,565)**	--
Defined employee benefit obligations		**(4,581,844)**	--
Obligations of discontinued operations - subsidiary under liquidation		**--**	(219,728)
Derecognition of foreign currency translation reserve		**--**	219,728

Chief Executive Officer
Khalil Kamil Abou Fadel

Chairman of the Board
Nair Bayan Al-Sulami

1- ORGANISATION AND PRINCIPAL ACTIVITIES

Raydan Food Company is a listed joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4030180055 and Unified No. 7001562359, issued in Jeddah on 11 Jumada Al-Akhirah 1429H (corresponding to 15 June 2008).

On 26 February 2017, the Company obtained the approval of the Capital Market Authority (CMA) to list 30% of its shares on the Parallel Market, "Nomu". On 17 November 2019, the Company obtained the CMA's approval to transfer Raydan Food Company from the Parallel Market to the Main Market and, accordingly, its shares were listed on the Main Market.

On 2 May 2021, the CMA approved the Company's request to increase its share capital by SAR 112.5 million through a rights issue, increasing the share capital to SAR 337.5 million. The rights issue and capital increase were completed on 25 August 2021.

Pursuant to the Company's Extraordinary General Assembly meeting held on 9 Rabi Al-Awwal 1444H (corresponding to 5 October 2022), the shareholders approved reducing the Company's share capital from SAR 337,500,000 to SAR 158,084,670 by offsetting accumulated losses of SAR 179,415,330, representing 53.16% of the Company's share capital.

On 29 May 2025, corresponding to 2 Dhu Al-Hijjah 1446H, the Company announced the Board of Directors' recommendation to the Extraordinary General Assembly to restructure the Company's share capital through a capital reduction. On 2 November 2025, the Company announced that the General Assembly had approved, by 95%, the Board's recommendation to reduce the Company's share capital by cancelling (8,494,864) shares, at a rate of (0.53736) share cancelled for each share held.

The Company's activities comprise the management of full-service restaurants and banquet preparation kitchens for events.
The Company's head office is located in Jeddah, Prince Muteb Street.

(All amounts are in Saudi Riyals unless otherwise stated)

1- ORGANISATION AND PRINCIPAL ACTIVITIES (CONTINUED)

The financial statements include the assets, liabilities and activities of the Company and its following branches:

Unified National Number	Location	Registration date	Status as at the financial statements date
7012344623	Jeddah	14 Rabi Al-Awwal 1435H	Active
7005597849	Jeddah	27 Rabi Al-Thani 1440H	Active
7002572969	Makkah Al-Mukarramah	3 Jumada Al-Thani 1439H	Active
7003784225	Madinah Al-Munawwarah	25 Muharram 1439H	Active
7040722907	Jeddah	19 Dhu Al-Hijjah 1445H	Active
7040799491	Jeddah	26 Dhu Al-Hijjah 1445H	Active
7007633535	Jeddah	8 Jumada Al-Thani 1432H	Deregistered during the period*
7013410050	Jeddah	8 Jumada Al-Thani 1432H	Deregistered during the period*
7011578882	Jeddah	11 Jumada Al-Thani 1432H	Deregistered during the period*
7013875823	Jeddah	11 Jumada Al-Thani 1432H	Deregistered during the period*
7011859142	Jeddah	11 Jumada Al-Thani 1432H	Deregistered during the period*
7013587386	Jeddah	11 Jumada Al-Thani 1432H	Deregistered during the period*
7007011252	Jeddah	11 Jumada Al-Thani 1432H	Deregistered during the period*
7015122232	Jeddah	7 Rabi Al-Awwal 1436H	Deregistered during the period*
7011473142	Jeddah	11 Jumada Al-Awwal 1436H	Deregistered during the period*
7003724049	Makkah Al-Mukarramah	6 Rabi Al-Awwal 1438H	Deregistered during the period*
7008773561	Al-Qunfudhah	13 Sha'ban 1440H	Deregistered during the period*

* During the financial period ended 30 June 2026, the Company deregistered certain commercial registrations relating to closed branches as part of its restructuring and performance improvement plan, (Note:19)

2- BASIS OF PREPARATION

2/1 Statement of compliance

These interim condensed financial statements for the three- and six-month periods ended 30 June 2026 have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants. The accompanying interim condensed financial statements do not include all the information and disclosures required for annual financial statements prepared in accordance with International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia and, therefore, should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2025.

2/2 Basis of measurement

The interim condensed financial statements have been prepared under the historical cost convention, except where International Financial Reporting Standards permit measurement using other valuation bases.

The preparation of interim condensed financial statements in accordance with International Financial Reporting Standards requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the amounts reported in the interim condensed financial statements. These significant estimates and assumptions were disclosed in the annual financial statements for the year ended 31 December 2025.

2/3 Functional and presentation currency

Items included in the Company's interim condensed financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The interim condensed financial statements are presented in Saudi Riyals, which is the Company's functional and presentation currency.

2/4 Use of judgements and estimates

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

The estimates and assumptions are based on historical experience and other factors, including expectations of future events considered reasonable in the circumstances, and are used to determine the carrying amounts of assets and liabilities that are not readily apparent from other sources. Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods if the revision affects both current and future periods.

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

3- SIGNIFICANT ACCOUNTING POLICIES

3/1 New standards and amendments to standards and interpretations

A number of new amendments, as set out below, are effective from 1 January 2026 however, they have no material impact on the Company's interim condensed financial statements:

Standards and amendments	Description	Effective for annual periods beginning on or after	Summary of amendments	Management's assessment
IFRS 9 and IFRS 7	Classification and measurement of financial instruments	1 January 2026	The amendments clarify the requirements for recognizing and derecognizing financial assets and financial liabilities, including settlement-date accounting for certain electronic payment systems. They also provide additional guidance for assessing the contractual cash-flow characteristics of financial assets, including contingent cash flows arising from environmental, social and governance (ESG)-linked features. The amendments also introduce new and updated disclosure requirements under IFRS 7.	The amendments were applied during the current period and did not have a material impact on the Company's financial statements, as the Company's financial instruments and settlement arrangements were not materially affected.
IFRS 9 and IFRS 7	Contracts referencing nature-dependent electricity	1 January 2026	These amendments modify the "own-use" requirements and the hedge accounting provisions in IFRS 9 for contracts that expose entities to variability in electricity prices arising from uncontrollable natural conditions, such as weather. Specific disclosure requirements were also introduced in IFRS 7.	The amendments were applied during the current period and did not have a material impact on the Company's financial statements, as the nature of the Company's operations and contractual arrangements did not result in any material exposure to such contracts.

(All amounts are in Saudi Riyals unless otherwise stated)

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3/2 The following standards and amendments had been issued but were not yet effective for the financial period ended 31 March 2026 and were not early adopted by the Company:

Standards and amendments	Description	Effective for annual periods beginning on or after	Summary of amendments	Management's assessment
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027	IFRS 18 replaces IAS 1 and establishes a new framework for the presentation and disclosure of financial statements. It introduces new classifications of income and expenses (operating, investing and financing) and requires new subtotals, including operating profit or loss and profit or loss before financing and income taxes. It also enhances the guidance on aggregation and disaggregation, introduces disclosure requirements for management-defined performance measures, and removes classification options for interest and dividends in the statement of cash flows.	Management is currently assessing the impact of IFRS 18. While the standard is expected to result in changes to presentation and disclosures, it is not expected to have a material impact on the recognition or measurement of the Company's assets, liabilities, income or expenses. The application guidance is disclosed below.
IFRS 19	Subsidiaries without Public Accountability	1 January 2027	IFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements while continuing to apply the full recognition and measurement principles of IFRS Accounting Standards. The standard affects disclosure requirements only and does not affect recognition or measurement.	Management will assess the applicability of IFRS 19 at the date of initial application. The standard is expected to affect disclosure requirements only and is not expected to have a material impact on the Company's financial position, financial performance or cash flows.

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3/2 The following standards and amendments had been issued but were not yet effective for the financial period ended 30 June 2026 and were not early adopted by the Company (continued):

IFRS 18 application guidance
IFRS 18, "Presentation and Disclosure in Financial Statements", will replace IAS 1, "Presentation of Financial Statements", and is effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. The Company has not early adopted this standard in preparing these interim condensed consolidated financial statements.

The Company is currently assessing the expected impact of the initial application of IFRS 18 on its financial statements, particularly the presentation of the consolidated financial statements and the related disclosures. Based on its preliminary assessment, the Company does not expect the standard to affect the measurement or recognition of assets, liabilities, equity or net profit; however, it is expected to result in changes to the presentation of certain line items and disclosures in the consolidated financial statements. The key matters currently being assessed by the Company include:

- **Structure of the statement of profit or loss**

The standard requires income and expenses to be classified into operating, investing, financing, zakat and income tax, and discontinued operations categories. It also requires the presentation of new mandatory subtotals, including operating profit and profit or loss before financing and income taxes.

- **Reclassification of certain items**

Application of the standard may require certain income and expenses, including interest, foreign exchange differences, and gains or losses arising from hedging instruments, to be reclassified based on the nature of the activity or the related item, in accordance with the standard's requirements.

- **Management-defined performance measures**

The standard requires management-defined performance measures, if any, to be disclosed in a separate note together with the information and reconciliations required by the standard.

- **Aggregation and disaggregation principles**

The standard enhances the requirements for aggregating, classifying, presenting and disclosing information, thereby improving the quality of information presented in the primary financial statements and notes.

- **Consequential amendments to IAS 7**

IFRS 18 introduced consequential amendments to IAS 7, "Statement of Cash Flows", requiring entities that use the indirect method to begin reconciling cash flows from operating activities from operating profit rather than net profit or profit for the period. This will change certain reconciling items presented in the statement of cash flows.

The amendments also include updated guidance on classifying cash flows relating to interest and dividends. Based on the preliminary assessment, the Group expects cash flows relating to interest paid to be classified within financing activities, while interest received and dividends paid will continue to be classified within investing and financing activities, respectively, in accordance with the standard.

The Group will continue to assess the effects of applying the standard, and any material effects, if any, will be disclosed upon initial application.

Management is currently assessing the aggregation of items based on similar and dissimilar characteristics. Based on this assessment, it will present line items in the consolidated primary financial statements that provide structured and useful summaries and will disclose additional material information in the notes.

Management is also assessing items currently classified as "other" and will use more descriptive labels.

(All amounts are in Saudi Riyals unless otherwise stated)

4- PROPERTY, PLANT AND EQUIPMENT, NET

4/1 The following is a statement of the net carrying amount of property, plant and equipment:

	Property, plant and equipment	**Capital work in progress**	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Cost:				
Balance at the beginning of the period / year	**217,915,261**	**1,966,554**	**219,881,815**	249,495,599
Additions during the period / year	**135,704**	**4,500**	**140,204**	1,088,839
Disposals during the period / year (Note 4/10)	**(61,101,867)**	**--**	**(61,101,867)**	(30,702,623)
Transferred to assets held for sale (Note 4/12)	**(4,101,427)**	**--**	**(4,101,427)**	--
Balance at the end of the period / year	**152,847,671**	**1,971,054**	**154,818,725**	219,881,815
Accumulated depreciation:				
Balance at the beginning of the period / year	**112,843,877**	**--**	**112,843,877**	111,714,119
Charge for the period / year (Note 4/4)	**4,006,121**	**--**	**4,006,121**	9,357,898
Disposals during the period / year (Note 4/10)	**(30,590,981)**	**--**	**(30,590,981)**	(8,228,140)
Transferred to assets held for sale (Note 4/12)	**(2,659,585)**	**--**	**(2,659,585)**	--
Balance at the end of the period / year	**83,599,432**	**--**	**83,599,432**	112,843,877
Impairment allowance:				
Balance at the beginning of the period / year	**35,681,762**	**--**	**35,681,762**	42,279,536
Reversal of impairment upon disposals during the period / year (Note 4/10)	**(9,995,153)**	**--**	**(9,995,153)**	(12,149,445)
Net of impairment during the period / year (Note 4/9)	**--**	**--**	**--**	5,551,671
Balance at the end of the period / year	**25,686,609**	**--**	**25,686,609**	35,681,762
Net carrying amount	**43,561,630**	**1,971,054**	**45,532,684**	71,356,176

(All amounts are in Saudi Riyals unless otherwise stated)

4- PROPERTY, PLANT AND EQUIPMENT, NET (CONTINUED)

4/2 Provision for removal, site restoration and dismantling obligations:

Management reviews the enforceable contractual terms included in lease agreements to assess whether an obligation should be recognized for dismantling and removing buildings and improvements on leased premises. As at 30 June 2026 and 31 December 2025, the lease agreements contained no enforceable contractual terms requiring recognition of a removal and dismantling obligation.

4/3 Capital work in progress

As part of its strategy to enhance operational efficiency and ensure supply quality, the Company is constructing a specialized central factory to prepare raw materials and supply them ready for cooking to all branches. Construction and full fit-out of the factory are expected to be completed during 2027.

4/4 Mortgages over property, plant and equipment:

During the current period, the Company fully repaid the loan. Accordingly, the mortgages over the title deeds pledged against the loan were released, and no other properties are pledged (the carrying amount of the mortgaged land as at 31 December 2025 was SAR 9,050,652).

4/5 Depreciation charged for the period was allocated as follows:

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Cost of sales	**3,823,439**	4,347,057
General and administrative expenses	**182,682**	420,487
	4,006,121	4,767,544

4/6 Capitalized finance costs

No finance costs were capitalized during the current period ended 30 June 2026 or the comparative period ended 30 June 2025.

4/7 Fully depreciated and idle property, plant and equipment:

As at 30 June 2026, the Company had property, plant and equipment with a historical cost of SAR 50.8 million (31 December 2025: SAR 55.9 million). These assets were fully depreciated and remained in use.

4/8 Buildings and improvements on leased land:

As at 30 June 2026, the Company's buildings and improvements on leased premises, with a net carrying amount of SAR 19.4 million (31 December 2025: SAR 41 million), were constructed on land leased from local parties under annual leases renewable for similar periods on the same or other terms as agreed by the parties. These assets are depreciated over the shorter of their useful economic lives and the estimated lease terms.

4/9 Impairment of property, plant and equipment

4/9/1 Period ended 30 June 2026:

Management periodically reviews the carrying amounts of property, plant and equipment to identify indicators of potential impairment, in accordance with IAS 36, "Impairment of Assets". During quarterly financial periods, management's review is limited to assessing whether material impairment indicators exist. If such indicators are identified, an impairment test is performed immediately and any impairment losses are recognized in the statement of profit or loss.

If no impairment indicators are identified, management performs a detailed impairment test of property, plant and equipment once a year at the end of the financial year to determine the recoverable amount and compare it with the assets' carrying amount.

(All amounts are in Saudi Riyals unless otherwise stated)

4- PROPERTY, PLANT AND EQUIPMENT, NET (CONTINUED)

4/9 Impairment of property, plant and equipment (continued)

4/9/2 Year ended 31 December 2025:

Impairment of land
As at 31 December 2025, management assessed the land at fair value through an external valuer accredited by the Saudi Authority for Accredited Valuers, "Amam Real Estate Valuation", membership No. 11000055. The valuer applied the market approach and comparable sales method. The valuation indicated that the fair value of the land was lower than it carrying amount and an impairment allowance of SAR 282,947 was recognized for the reduction in fair value.

Impairment of equipment - Company branches (cash-generating units)
As at 31 December 2025, management assessed impairment of the property, plant and equipment of the branches through an external valuer accredited by the Saudi Authority for Accredited Valuers, "Thurwah Financial Consultancy Company", membership No. 21000073. The branches were assessed as cash-generating units. Management considered the branches' current-year results and prior-period results to be impairment indicators and, accordingly, performed a detailed impairment assessment as at 31 December 2025. Each branch was treated as a separate cash-generating unit, and its recoverable amount was estimated based on business plans approved by the Board of Directors that reflect management's view of market conditions. Key assumptions and judgements, including estimated growth rates and appropriate discount rates, were applied. As a result, a net impairment allowance of SAR 5,268,724 was recognized against the property, plant and equipment of the branches.

The key bases and significant assumptions used in the valuation were as follows:
1. Growth rates for future periods: 1% - 4%.
2. Approved business plan period: 5 years
3. Discount rate: 11.3%

The movement in the impairment allowance for property, plant and equipment is as follows:

	Impairment of land	Impairment of equipment	Total
30 June 2026			
Balance at the beginning of the period	**20,119,427**	**15,562,335**	**35,681,762**
Reversal of impairment relating to property, plant and equipment disposed of during the period (Note 4/10)	**--**	**(9,995,153)**	**(9,995,153)**
Balance at the end of the period	**20,119,427**	**5,567,182**	**25,686,609**

	Impairment of land	Impairment of equipment	Total
31 December 2025			
Balance at the beginning of the year	31,985,925	10,293,611	42,279,536
Provided during the year	282,947	10,156,180	10,439,127
Reversal of impairment during the year	--	(4,887,456)	(4,887,456)
Reversal of impairment relating to property, plant and equipment disposed of during the year (Note 4/10)	(12,149,445)	--	(12,149,445)
Balance at the end of the year	20,119,427	15,562,335	35,681,762

(All amounts are in Saudi Riyals unless otherwise stated)

4- PROPERTY, PLANT AND EQUIPMENT, NET (CONTINUED)

4/10 Disposals during the period / year

On 14 April 2026, the Company's Board of Directors approved a study of the options presented regarding a number of the Company's branches and operating locations, including Al-Madinah 1, Al-Madinah 2, Al-Nawariyah, Al-Samer, Al-Majed, Al-Hamdaniyah, Al-Waziriyah, Riyadh Plan and Al-Sanabel, with the aim of determining the appropriateness of continuing to operate or exiting from them, and commencing the necessary negotiations and procedures after conducting the relevant analyses and studies, in a manner that serves the Company's interests. Based on the results of the studies and analyses, the Executive Committee approved the exit from the following branches: Al-Madinah 2, Al-Samer, Al-Waziriyah, Al-Sanabel and Al-Hamdaniyah, in accordance with the Company's plan for restructuring and improving performance (Note 19).

Disposals of property, plant and equipment during the period ended 30 June 2026 comprise disposals relating to the branches listed below, in addition to the disposal of Al-Zaydi asset warehouse. The Company fully exited those branches and derecognized their assets from its books.

Branch name	Commercial registration / Unified Number
Al-Haramain	7001562359
Al-Tayseer	7001562359
Al-Zaydi	7001562359
Al-Madinah 2	7003784225
Al-Waziriyah	7001562359
Al-Samer	7001562359
Al-Shara'i	7003724049
Al-Sanabel	7001562359

Disposals of property, plant and equipment during the year ended 31 December 2025 comprised the disposal of land in Al-Jamea District, the main warehouse and the Riyadh villa, in addition to the disposal of Al-Qunfudhah branch and Al-Zaydi catering kitchen.

The impact of the disposed property, plant and equipment on the financial statements was as follows:

	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Cost of property, plant and equipment disposed of		**(61,101,867)**	(30,702,623)
Accumulated depreciation of property, plant and equipment disposed of		**30,590,981**	8,228,140
Reversal of impairment of property, plant and equipment disposed of	**4/9/2**	**9,995,153**	12,149,445
Net carrying amount of property, plant and equipment disposed of		**(20,515,733)**	(10,325,038)
Selling price of property, plant and equipment disposed of		**9,888,817**	9,688,148
Disposal result		**(10,626,916)**	(636,890)
Reversal of loss relating to retained rights - included in right-of-use assets		**1,169,336**	--
Net disposal loss recognized in the statement of profit or loss	**7**	**(9,457,580)**	(636,890)

(All amounts are in Saudi Riyals unless otherwise stated)

4- PROPERTY, PLANT AND EQUIPMENT, NET (CONTINUED)

4/11 Sale and leaseback agreement

On 22 January 2026, corresponding to 3 Sha'ban 1447H, a binding agreement was signed to sell an operating branch located in Al-Nuzhah District, Jeddah (Heraa Branch). A lease agreement for the same branch was also signed as part of the sale and leaseback transaction. Management confirms that the purchaser is not a related party and undertakes to disclose any material future developments in accordance with the relevant laws and regulations. The transaction forms part of management's efforts to improve liquidity and settle financial obligations.

Based on management's best assessment, it concluded that control of the asset subject to the sale and leaseback agreement had been transferred. Based on the assessment, the transaction was classified as a sale and leaseback in accordance with IFRS 15, "Revenue from Contracts with Customers", and IFRS 16, "Leases". Accordingly, the asset was derecognized, right-of-use assets and a lease liability were recognized, and the resulting effect was recognized in the statement of profit or loss in accordance with IFRS 16. The following sets out the effect on the financial statements as at 30 June 2026. The portion of the transaction result relating to the rights retained through the leaseback of the sold asset is deferred and recorded within right-of-use assets, while the portion relating to the rights transferred to the buyer-lessor is recognized in the statement of profit or loss:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Cost of property, plant and equipment disposed of	**(20,255,189)**	--
Accumulated depreciation of property, plant and equipment disposed of	**10,268,855**	--
Reversal of impairment of property, plant and equipment disposed of	--	--
Net carrying amount of property, plant and equipment disposed of	**(9,986,334)**	--
Contractual selling price of property, plant and equipment disposed of	**8,000,000**	--
Loss on disposal	**(1,986,334)**	--
Loss relating to retained rights - included in right-of-use assets	**1,169,336**	--
Loss relating to rights transferred to the buyer-lessor	**(816,998)**	--

4/12 Transferred to assets held for sale

The branches expected to be disposed of during the subsequent period / included in the disposal plan are classified as assets held for sale in the statement of financial position as at 30 June 2026. Their results for the period were reclassified as results of discontinued operations, and the comparative figures in the statement of comprehensive income were also reclassified.

The net carrying amounts of the branches classified as assets held for sale are as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Cost of property transferred to assets held for sale	**4,101,427**	--
Accumulated depreciation of property transferred to assets held for sale	**(2,659,585)**	--
Net carrying amount transferred to assets held for sale	**1,441,842**	--

(All amounts are in Saudi Riyals unless otherwise stated)

4- PROPERTY, PLANT AND EQUIPMENT, NET (CONTINUED)

4/12 Transferred to assets held for sale (continued)

Assets held for sale are measured at the lower of their net carrying amount and fair value less costs to sell. The following compares the net carrying amount of the property transferred to assets held for sale with its estimated recoverable amount / fair value less costs to sell:

Branch name	Commercial registration / Unified Number	Net carrying amount	Net recoverable amount	Impairment in recoverable amount	Reclassification date
Al-Hamdaniyah	7001562359	**866,660**	**100,000**	**(766,660)**	30 June 2026
Riyadh Plan	7001562359	**575,182**	**70,000**	**(505,182)**	30 June 2026
		1,441,842	**170,000**	**(1,271,842)**	

5- LEASES, NET

5/1 The movement in right-of-use assets, net, was as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Cost:		
Balance at the beginning of the period / year	**74,972,321**	78,275,503
Additions during the period / year	**6,090,062**	--
Disposals during the period / year (Note 5/2)	**(20,160,057)**	(3,303,182)
Balance at the end of the period / year	**60,902,326**	74,972,321
Accumulated amortization:		
Balance at the beginning of the period / year	**33,040,828**	27,117,616
Charge for the period / year	**3,629,004**	8,027,507
Disposals during the period / year (Note 5/2)	**(10,761,737)**	(2,104,295)
Balance at the end of the period / year	**25,908,095**	33,040,828
Impairment allowance:		
Balance at 1 January	**5,325,603**	6,911,395
Impairment during the year	**--**	2,222,409
Reversal of impairment during the year	**--**	(3,491,727)
Reversal of impairment relating to disposed contracts (Note 5/2)	**(3,838,218)**	(316,474)
Balance at 31 December	**1,487,385**	5,325,603
Net carrying amount at end of the period / year	**33,506,846**	36,605,890

5/2 Disposal of lease contracts

5/2/1 Disposal of lease contracts during the period ended as at 30 June 2026.

These comprise lease contracts relating to branches exited during the period, in addition to lease contracts relating to branches transferred to assets held for sale (Note 4/10).

The lease contracts relating to branches transferred to assets held for sale (Al-Hamdaniyah and Riyadh Plan) were derecognized from right-of-use assets and lease liabilities because, in their current status as held for sale, they do not meet the lease-term requirements of IFRS 16, "Leases" (less than one year). During the subsequent period and until the actual disposal date, the rental expenses for the two branches will be recognized directly in the statement of comprehensive income as operating lease expenses.

(All amounts are in Saudi Riyals unless otherwise stated)

5- LEASES, NET (CONTINUED)

5/2 Disposal of lease contracts (continued)

5/2/1 Disposal of lease contracts during the Last year.

Lease contract disposals during the year ended 31 December 2025 comprised Al-Qunfudhah branch and Al-Zaydi catering kitchen.

The results of the disposals were as follows:

	30 June 2026	31 December 2025
Cost disposed of	**(20,160,057)**	(3,303,182)
Accumulated amortization disposed of	**10,761,737**	2,104,295
Impairment relating to disposed lease contracts	**3,838,218**	316,474
Net carrying amount disposed of	**(5,560,102)**	(882,413)
Lease liabilities derecognized	**10,798,129**	1,204,348
Gain on disposal	**5,238,027**	321,935

Based on management's best estimates, potential obligations arising from the termination of those contracts were recognized within the provision for potential claims. As at 30 June 2026, the portion of the provision relating to terminated lease contracts is adequate.

5/3 Impairment of right-of-use assets

Management periodically reviews the carrying amounts of right-of-use assets to identify indicators of potential impairment, in accordance with IAS 36, "Impairment of Assets".

During quarterly financial periods, management's review is limited to assessing whether material impairment indicators exist. If such indicators are identified, an impairment test is performed immediately and any impairment losses are recognized in the statement of profit or loss.

If no impairment indicators are identified, management performs a detailed impairment test of right-of-use assets once a year at the end of the financial year to determine the recoverable amount and compare it with the assets' carrying amount.

- As at 31 December 2025, management assessed impairment of the property, plant and equipment of the branches and the right-of-use assets of leased branches through an external valuer accredited by the Saudi Authority for Accredited Valuers, "Thurwah Financial Consultancy Company", membership No. 21000073. The branches were assessed as cash-generating units. Based on the valuation results, management concluded that the recoverable amount of certain cash-generating units exceeded their carrying amount and, accordingly, reversed impairment relating to those units by SAR 1,269,318. The key bases and significant assumptions used in the valuation were as follows:

    1. Growth rates for future periods: 1% - 4%.
    2. Approved business plan period: 5 years
    3. Discount rate: 11.3%

(All amounts are in Saudi Riyals unless otherwise stated)

5- LEASES, NET (CONTINUED)

5/4 The movement in lease liabilities was as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**47,949,888**	56,567,099
Additions during the period / year	**4,920,726**	--
Finance cost charged during the period / year	**1,314,729**	2,709,953
Payments during the period / year	**(729,975)**	(10,122,816)
Transfers during the period / year	**(3,646,969)**	--
Derecognized during the period / year (Note 5/2, 5/1)	**(10,798,129)**	(1,204,348)
Balance at the end of the period / year	**39,010,270**	47,949,888

5/4/1 Lease liabilities were classified in the statement of financial position as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Current liability	**8,983,084**	9,997,923
Non-current liability	**30,027,186**	37,951,965
	39,010,270	47,949,888

Lease liabilities were discounted using the Company's average incremental borrowing rate of 4.5% to 8%.

During the period, the due portion of lease liabilities was transferred to accrued expenses and other payables, with a portion transferred to the provision for potential claims.

5/5 Expenses relating to short-term and low-value leases amounted to SAR 24,107 for the period ended 30 June 2026 (30 June 2025: SAR 412,275). There are no commitments relating to those contracts. These amounts were recognized as operating lease expenses and were not included in right-of-use assets.

5/6 The undiscounted future cash flows of lease liabilities were as follows:

30 June 2026	**Within one year**	**From 2 to 5 years**	**More than 5 years**	**Total**
Undiscounted lease payments	**10,269,634**	**22,110,238**	**17,060,000**	**49,439,872**
Less:				
Future finance costs	**(1,286,550)**	**(5,921,849)**	**(3,221,203)**	**(10,429,602)**
Net present value	**8,983,084**	**16,188,389**	**13,838,797**	**39,010,270**

31 December 2025	Within one year	From 2 to 5 years	More than 5 years	Total
Undiscounted lease payments	11,446,652	25,607,567	22,640,000	59,694,219
Less:				
Future finance costs	(1,448,729)	(6,668,342)	(3,627,260)	(11,744,331)
Net present value	9,997,923	18,939,225	19,012,740	47,949,888

(All amounts are in Saudi Riyals unless otherwise stated)

6- INVESTMENT IN AN ASSOCIATE ACCOUNTED FOR USING THE EQUITY METHOD

6/1 Al-Jonah Distinguished Sweets and Events Company Limited is a limited liability company registered in the Kingdom of Saudi Arabia (an associate) and operates in organizing external events for third parties and providing cooked and uncooked meals and catering services. The Company's share in the capital of Al-Jonah Distinguished Sweets and Events Company Limited was 30% as at 30 June 2026 (31 December 2025: 30%). The movement in the investment was as follows:

	Note	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Balance at the beginning of the period / year		**16,205,833**	36,340,784
Company's share of results for the period / year	**6/3**	**71,951**	(4,241,015)
Share of other comprehensive loss during the period / year		**--**	(8,042)
Impairment of the investment during the period / year	**6/5**	**--**	(15,885,894)
Balance at the end of the period / year		**16,277,784**	16,205,833

6/2 The following table summarizes the financial information of Al-Jonah Company extracted from its interim condensed financial statements, together with the adjustments made to arrive at the carrying amount of Raydan Food Company's investment in Al-Jonah Company:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
TOTAL ASSETS	**96,746,716**	91,007,560
Total liabilities	**(68,040,210)**	(62,540,891)
Equity	**28,706,506**	28,466,669
Raydan Food Company's 30% share	**8,611,952**	8,540,000

6/3 The following is a summary of Al-Jonah Company's statement of profit or loss and other comprehensive income as at the end of the period / year:

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Sales	**54,652,902**	59,687,258
Cost of sales	**(35,080,282)**	(36,744,944)
Operating expenses	**(19,204,631)**	(17,525,971)
Non-operating expenses and income	**(128,152)**	82,863
Net profit for the period / year	**239,837**	5,499,206
Company's 30% share	**71,951**	1,649,762
Less: unrealized profits arising from transactions with the associate	**--**	--
Total Company's share as presented in the statement of profit or loss	**71,951**	1,649,762

During the current period, the Company's Board of Directors approved commencing a search for and communication with specialized independent parties to obtain proposals for valuing the equity-accounted investment in the associate, Al-Jonah Distinguished Sweets and Events Company Limited, to assess the feasibility of continuing the investment and consider the alternatives, options and recommendations proposed by those parties in the Company's best interest.

Up to the date of the financial statements, including the subsequent period through the date on which the interim condensed financial statements were approved by the Board of Directors, management had not engaged an independent expert to perform the valuation and had not obtained any Board approvals regarding a final exit decision.

(All amounts are in Saudi Riyals unless otherwise stated)

6- INVESTMENT IN AN ASSOCIATE ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

6/5 Impairment

Management periodically reviews the carrying amount of the investment in an associate accounted for using the equity method to identify indicators of potential impairment, in accordance with IAS 36, "Impairment of Assets".

During quarterly financial periods, management's review is limited to assessing whether material impairment indicators exist. If such indicators are identified, an impairment test is performed immediately and any impairment losses are recognized in the statement of profit or loss.

If no impairment indicators are identified, management performs a detailed impairment test of the investment in the associate once a year at the end of the financial year to determine the recoverable amount and compare it with the investment's carrying amount.

- As at 31 December 2025, management assessed impairment of the investment in Al-Jonah Distinguished Sweets and Events Company Limited (an associate) by treating the entity as a cash-generating unit. Based on management's assessment that impairment indicators existed, the investment was valued by a local valuer accredited by the Saudi Authority for Accredited Valuers, Taqeem - "Thurwah Financial Consultancy Company", membership No. 21000073. The valuation identified impairment of SAR 15.8 million in the investment's carrying amount, and the impairment loss was recognized in the statement of profit or loss. The key bases and significant assumptions used in the valuation were as follows:

1. Growth rate: 2%
2. Approved business plan period: 5 years
3. Discount rate: 12.56%

7- DISCONTINUED OPERATIONS

In accordance with management's plan to restructure the Company's activities (Note 19), management exited and disposed of six branches during the period (Note 4), and two branches during the subsequent period. The following is the effect of the discontinued operations on the statement of financial position as at the end of the period/year:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
ASSETS		
Net recoverable amount of assets held for sale (Note 4)	**170,000**	--
Liquidation assets of the subsidiary under liquidation	**249,253**	257,152
Total assets of discontinued operations	**419,253**	257,152
LIABILITIES		
Restructuring liabilities (disposed branches and branches held for sale)	**1,822,733**	--
Obligations of subsidiary under liquidation	**698,054**	709,910
Total liabilities of discontinued operations	**2,520,787**	709,910

The effect of discontinued operations on the statement of comprehensive income for the period ended was as follows:

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Loss/ Gain on disposal of PPE	**(9,457,580)**	146,154
Results from discontinued operations for the period	**(1,211,861)**	(4,219,701)
Assets held for sale (Note 4/12)	**(1,271,842)**	--
Disposal of lease contracts (Note 5)	**5,238,027**	--
Change in liquidation liabilities during the period	**3,957**	(3,672)
	(6,699,299)	(4,077,219)

(All amounts are in Saudi Riyals unless otherwise stated)

7- DISCONTINUED OPERATIONS (CONTINUED)

Liquidation deficit in a subsidiary under liquidation

7/1 In January 2025, the Company's Board of Directors resolved to liquidate its investment in the Arab Republic of Egypt (Raydan Egypt Kitchens and Restaurants Company) to avoid foreign exchange losses. The entity is a wholly owned subsidiary with share capital of EGP 50,000.

7/2 Pursuant to the resolution of the Extraordinary General Assembly of Raydan Egypt Kitchens and Restaurants Company held on 7 January 2025, the subsidiary was placed under liquidation and Mr. Mohamed Ismail Amer was appointed as liquidator. In accordance with Article 145 of Law No. 159 of 1981, his duties are to:

- Settle the Company's outstanding debts.
- Represent the Company before the courts and accept settlement and arbitration.
- Sell the Company's movable and immovable property by public auction or by any other method, unless the liquidator's appointment instrument specifies a particular method of sale, provided that the liquidation period is one year beginning from the date of registration in the Commercial Register.

Accordingly, interim condensed financial statements for the results of Raydan Food Company were prepared and presented on a standalone basis for the period ended 31 March 2025, as the Company lost control over Raydan Egypt Kitchens and Restaurants Company upon the appointment of the liquidator on 7 January 2025.

7/3 The Company's investment in the subsidiary under liquidation represents 100% of the share capital (2025: 100%) of Raydan Egypt Kitchens and Restaurants Company, an Egyptian limited liability company registered under Commercial Registration No. 71123 dated 21 Rabi Al-Awwal 1435H (corresponding to 22 January 2014). Its activities comprise establishing and operating fixed-location restaurants, providing prepared meals and real estate investment.

7/4 The following table summarizes the financial information of Raydan Egypt Kitchens and Restaurants Company (under liquidation) extracted from its financial statements, together with the adjustments made to arrive at the carrying amount of the Company's share of the net liquidation deficit in Raydan Egypt Kitchens and Restaurants Company (under liquidation):

	30 June 2026	31 December 2025
Total assets	**249,253**	257,152
Total liabilities	**(698,054)**	(709,910)
Net liquidation deficit	**(448,801)**	(452,758)
Company's share of the net liquidation deficit - 100%	**(448,801)**	(452,758)

The following table summarizes the movement in the net liquidation liabilities of Raydan Egypt Kitchens and Restaurants Company (under liquidation), as extracted from its financial statements:

	30 June 2026	**31 December 2025**
Liabilities from liquidation operations at the beginning of the period / year	**(452,758)**	--
Liabilities at the liquidation date	**--**	(438,619)
Change in liquidation liabilities during the period / year	**3,957**	(14,139)
Liabilities from liquidation operations at the end of the period / year	**(448,801)**	(452,758)

(All amounts are in Saudi Riyals unless otherwise stated)

8- TRADE RECEIVABLES, NET

	Note	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Trade receivables		**4,573,967**	7,518,819
Expected credit loss allowance	8/1	**(3,124,843)**	(2,722,499)
		1,449,124	4,796,320

In determining the recoverability of trade receivables, the Company considers any change in their credit quality from the date credit was initially granted through the end of the reporting period. Credit concentration risk is limited because the customer base is large and unrelated.

As at 30 June 2026, the Company's management assessed the expected credit loss allowance for trade receivables in accordance with IFRS 9, "Financial Instruments", using an expected credit loss methodology based on an analysis of the ageing of receivables and historical default experience, adjusted to reflect relevant forward-looking information, taking into account that credit terms granted to customers range from 60 to 120 days from the invoice date. The allowance was calculated on net unsecured receivables after excluding receivables covered by existing guarantees to the extent of such coverage, as management considers the related collection risk to be limited to the value of the guarantee.

Based on customers' sales volumes during the current and comparative periods, no customer represented 10% or more of total sales. Accordingly, the Company is not exposed to a material concentration of sales risk, as it has a diversified customer base within the Kingdom of Saudi Arabia, thereby limiting reliance on a small number of customers.

8/1 The movement in the expected credit loss allowance for the period / year was as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**2,722,499**	1,120,927
Charge during the period / year	**402,344**	1,601,572
Balance at the end of the period / year	**3,124,843**	2,722,499

The ageing analysis of trade receivables as at the end of the period / year was as follows:

	30 June 2026 (Unaudited)		**31 December 2025 (Audited)**	
	Receivables subject to assessment	**Expected credit losses**	**Receivables subject to assessment**	**Expected credit losses**
Not due	**409,779**	**10,356**	3,934,132	141,770
1 to 60 days	**83,077**	**2,786**	313,651	38,610
61 to 120 days	**693,762**	**317,494**	126,486	34,111
More than 120 days	**3,387,349**	**2,794,207**	3,144,550	2,508,008
	4,573,967	**3,124,843**	7,518,819	2,722,499

(All amounts are in Saudi Riyals unless otherwise stated)

9- PREPAYMENTS AND OTHER RECEIVABLES, NET

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Prepaid expenses	**1,982,787**	870,913
Employee receivables	**470,423**	738,914
Refundable deposits	**730,557**	718,557
Notes receivable	**736,553**	736,553
Advances to suppliers	**167,243**	510,256
Cash margin against letters of guarantee	**350,000**	350,000
Outstanding bank reconciliations	**954,727**	--
Other receivables	**162,577**	89,128
	5,554,867	4,014,321
Impairment allowance for notes receivable	**(300,000)**	(300,000)
	5,254,867	3,714,321

Impairment of notes receivable:

- An impairment allowance was recognized against notes receivable represented by promissory notes issued in favour of Raydan Food Company in connection with the termination of two franchise agreements (Al-Taif branch and Tabuk branch).
- Notes receivable relating to the Al-Taif branch franchise amounted to SAR 436,553 as at 30 June 2026 (2025: SAR 436,553).
- Notes receivable relating to the Tabuk branch franchise amounted to SAR 300,000 as at 30 June 2026 (2025: SAR 300,000).

Based on management's estimate that these balances are difficult to collect, except for the Al-Taif branch balance, which was rescheduled into instalments during 2024 and for which the instalments due were collected regularly on their due dates during 2025 and 2024 in accordance with the agreed schedule until the full amount is collected by 3 July 2028, management calculated the present value of the non-current portion of these receivables and concluded that the finance cost embedded in the arrangement was immaterial. Accordingly, the balance was not split between current and non-current portions.

10- LOANS AND BANK FACILITIES

During 2018, the Company obtained a long-term loan of SAR 35.1 million in the form of a finance lease to finance capital expansion. The loan was secured by a mortgage over parcels of land owned by the Company (Note 4) and bears annual interest at 8%. The total finance costs relating to the loan were deducted in full in advance from the proceeds received. The amount was repayable in quarterly instalments ending on 15 October 2024.

During 2024, the Company reached an agreement to reschedule loan instalments of SAR 5,150,569 that were due on 15 October 2024. The rescheduling resulted in additional finance costs of SAR 784,487, which were paid in advance on the agreement date and are amortized over the revised loan term that was expected to end on 25 October 2026. During the period ended 30 June 2026, the Company repaid the loan in full. Accordingly, the promissory notes relating to the guarantees were cancelled and the mortgages over the title deeds pledged against the loan were released.

10/1 Movement in loans:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**3,367,843**	5,215,942
Finance cost charged during the period / year	**--**	641,076
Repayments during the period / year	**(3,367,843)**	(2,489,175)
Balance at the end of the period / year	**--**	3,367,843

(All amounts are in Saudi Riyals unless otherwise stated)

10- LOANS AND BANK FACILITIES (CONTINUED)

10/2 Current and non-current loans:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Current portion	**--**	3,367,843
	--	3,367,843

10/3 The undiscounted contractual cash maturities as at the end of the period / year were as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Total undiscounted contractual payments	**--**	3,694,713
Deferred finance costs	**--**	(326,870)
Net carrying amount	**--**	3,367,843

10/4 Mortgages and guarantees

The Company obtained loans against guarantees comprising promissory notes and mortgages over certain real estate and property, plant and equipment - land - with a net carrying amount of SAR 9,050,652, as security for a loan granted by a local finance company. During the period ended 30 June 2026, the loan was repaid and the mortgage was released.

11- ACCRUED EXPENSES AND OTHER PAYABLES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Employee dues	**13,745,664**	13,318,950
Accrued Board and committee remuneration	**8,291,294**	6,974,321
Accrued expenses	**6,983,122**	7,847,807
Marketing support received in advance	**2,979,785**	2,979,785
Accrued rent	**1,278,803**	2,419,041
Advances from catering customers	**325,477**	184,301
	33,604,145	33,724,205

12- PROVISION FOR POTENTIAL CLAIMS

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Employee dues*	**9,099,842**	**--**
Trade payables	**7,417,797**	**--**
Lease liabilities	**1,517,796**	**--**
	18,035,435	**--**

* Employee dues represent the Company's financial obligations to its employees and include end-of-service benefit entitlements, accrued salaries and wages, allowances for unused annual leave, and any other employment-related entitlements or benefits payable in accordance with labour laws and approved policies.

(All amounts are in Saudi Riyals unless otherwise stated)

13- BASIC AND DILUTED LOSS PER SHARE

Loss per share from the net loss for the three- and six-month periods ended 30 June 2026 was calculated based on the weighted average number of shares outstanding at that date of 7,313,603 shares (30 June 2025: 15,808,467 shares). The movement in the weighted average number of ordinary shares outstanding was as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Weighted average number of ordinary shares outstanding at the beginning of the period / year	**7,313,603**	15,808,467
Effect of the share capital reduction during the period / year	--	(8,494,864)
Weighted average number of ordinary shares outstanding at the beginning of the period / year	**7,313,603**	7,313,603

a) Loss per share from the loss for the period

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Net loss from discontinued operations	**(16,219,360)**	(10,547,196)	**(22,330,947)**	(18,389,432)
Weighted average number of shares	**7,313,603**	15,808,467	**7,313,603**	15,808,467
Basic and diluted loss per share	**(2.20)**	**(0.67)**	**(3.05)**	**(1.16)**

b) Loss per share from continuing operations

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Net loss from continuing operations	**(11,286,515)**	(7,954,728)	**(15,631,648)**	(14,312,213)
Weighted average number of shares	**7,313,603**	15,808,467	**7,313,603**	15,808,467
Basic and diluted loss per share	**(1.54)**	(0.50)	**(2.14)**	(0.91)

c) Loss per share from Discontinued operations

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Net loss from period	**(4,932,845)**	(2,592,468)	**(6,699,299)**	(4,077,219)
Weighted average number of shares	**7,313,603**	15,808,467	**7,313,603**	15,808,467
Basic and diluted loss per share	**(0.67)**	**(0.16)**	**(0.92)**	**(0.26)**

Loss per share from the net loss for the period is calculated based on the weighted average number of ordinary shares outstanding, adjusted for the effect of any potential dilution of ordinary shares, if any.

The calculation of diluted earnings per share has been based on the profit distributable to shareholders on ordinary shares and the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, if any. During the period, there are no dilutive shares, and therefore, the diluted earnings per share is the same as the basic earnings per share.

(All amounts are in Saudi Riyals unless otherwise stated)

14- ZAKAT

The principal components of the zakat base under the zakat regulations primarily comprise equity, provisions, long-term loans and adjusted net loss, less the net carrying amount of non-current assets. The movement in the zakat provision was as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of the period / year	**76,218**	526,539
Charge for the period / year	**--**	76,218
Payments during the period / year	**(446)**	(526,539)
Balance at the end of the period / year	**75,772**	76,218

<u>Zakat status</u>

- Period from 5 May 2008 to 31 December 2011
  A zakat assessment was issued to the Company for this period. The Company objected to certain assessment items, after which the final assessment was issued and the resulting amounts due were paid.

- Years from 2012 to 2013:
  The zakat returns were filed, and the Company has not received any inquiries or assessments relating to those years.

- Years from 2014 to 2024:
  The zakat returns for those years were filed and the zakat certificates were received. The Company received inquiries from the Authority relating to the years 2014 to 2023; assessments were subsequently issued for those years and were settled accordingly.

- Year ended 31 December 2025:
  The zakat return was filed and the zakat certificate was received. The Company also received a request for information and is in the process of responding.

<u>Tax status (Value Added Tax)</u>

- Value Added Tax returns were filed monthly through June 2026.
- The Company received inquiries relating to the years 2018 to 2023, responded to them, and an assessment was issued by the Authority and accepted.
- The Company received a request for additional information from the Authority relating to 2024 and is in the process of responding.

(All amounts are in Saudi Riyals unless otherwise stated)

15- RELATED PARTIES

15/1 Transactions with related parties

The following table sets out the aggregate amounts of significant transactions with related parties during the period and the related balances as at 30 June 2026 and 31 December 2025:

			Volume of transactions during the period		Balance as at	
	Relationship	**Nature of transaction**	**2026 (Unaudited)**	**2025 (Unaudited)**	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Presented within due from a related party						
Al-Jonah Distinguished Sweets and Events Company Limited	Associate	Expenses / sales / purchases	--	963,337	**1,166,326**	1,166,326
Raydan Egypt Kitchens and Restaurants Company (Note 7)	Subsidiary (under liquidation)	Expenses paid on behalf of the entity	--	74,127	**230,232**	230,232
					1,396,558	1,396,558
Impairment allowance for amount due from a related party					**(230,232)**	(230,232)
					1,166,326	1,166,326
Presented within Accrual and other liabilities						
Members of the Board of Directors and Committees	Key Management	Remuneration and allowances	**635,167**	1,356,654	**1,166,326**	1,166,326
					1,166,326	1,166,326

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the Company's activities, directly or indirectly, including any director, whether executive or otherwise. Salaries, wages and similar benefits for the period were as follows:

		For the six-month period ended	
	Nature of transaction	**30 June 2026 (Unaudited)**	30 June 2025 (Unaudited)
	Board of Directors' remuneration and allowances	**635,167**	1,356,654
Board of Directors and key management personnel	Basic salaries and allowances	**669,612**	1,145,120
	End-of-service benefits	**34,672**	64,717
		1,339,451	2,566,491

(All amounts are in Saudi Riyals unless otherwise stated)

16- OPERATING SEGMENT INFORMATION

The principal segment presentation was determined on the basis that the risks and returns of the Company are significantly affected by differences in the products of those segments. These segments are organized and managed separately according to the nature of their services and products, with each forming a separate unit. The operating segments set out below were identified by distinguishing the service activities from which the Company earns revenue and incurs costs.

Economic characteristics are reviewed and operating segments are aggregated based on the organization reviewed by the chief operating decision-makers at least quarterly and by the Company's senior management.

The Company operates in the Kingdom of Saudi Arabia (Western Region) through the following principal business segments:

1. Traditional meals
2. Catering services
3. Other segments (head office and other activities)

The following summarizes selected financial information by business segment as at and for the periods ended 30 June 2026 and 2025, based on the business segments described above:

	Segment reporting					
As at 30 June 2026	**Traditional meals (branches)**	**Catering services**	**Other segments**	**Total continuing operations**	**Discontinued operations**	**Total**
Revenue	**17,663,362**	**2,920,965**	**75,908**	**20,660,235**	**3,033,079**	**23,693,314**
Segment expenses	**(33,120,765)**	**(3,171,118)**	**--**	**(36,291,883)**	**(9,732,378)**	**(46,024,261)**
Net segment (loss) profit	**(15,457,403)**	**(250,153)**	**75,908**	**(15,631,648)**	**(6,699,299)**	**(22,330,947)**
Segment assets	**82,359,256**	**6,369,427**	**16,462,985**	**105,191,668**	**419,253**	**105,610,921**
Segment liabilities	**105,970,225**	**1,594,515**	**709,910**	**108,274,650**	**2,520,787**	**110,795,437**

(All amounts are in Saudi Riyals unless otherwise stated)

16- OPERATING SEGMENT INFORMATION (CONTINUED)

	Segment reporting					
As at 30 June 2025	**Traditional meals (branches)**	**Catering services**	**Other segments**	**Total continuing operations**	**Discontinued operations**	**Total**
Revenue	46,230,170	6,765,106	148,701	53,143,977	15,732,513	68,876,490
Segment expenses	(63,207,825)	(5,898,127)	1,649,762	(67,456,190)	(19,809,732)	(87,265,922)
Net segment (loss) profit	(16,977,655)	866,979	1,798,463	(14,312,213)	(4,077,219)	(18,389,432)
Segment assets	141,172,533	6,384,565	38,112,999	185,670,097	257,152	185,927,249
Segment liabilities	120,063,209	2,565,305	--	122,628,514	709,910	123,338,424

- All of the Company's sales are recognized at a point in time when products are delivered to customers and the benefits and risks are transferred to them. No sales are recognized over time.

- The Company has no long-term revenue contracts. All customer contracts are completed within a period of less than 12 months; accordingly, sales revenue does not involve material estimates or judgements relating to measurement and revenue recognition.

- The Company has no commissions or incremental direct costs of obtaining sales contracts that are accounted for by recognizing an asset and amortizing it over the contract term.

- The Company pays sales commissions and incentives to employees and certain external parties. These commissions are recognized in the statement of profit or loss because all sales are recognized at a point in time and there are no long-term sales contracts.

- The Company does not offer seasonal discounts in the form of free products to customers and has no customer loyalty programs.

- When sales discounts become payable after the revenue recognition date, the Company recognizes a liability for the expected sales discounts, presented within current liabilities. Management reviews its estimates of sales discounts at the end of each reporting period and revises them when new information becomes available or contractual conditions are met. Any resulting differences are recognized as an adjustment to revenue in the period of revision.

(All amounts are in Saudi Riyals unless otherwise stated)

17- FAIR VALUE AND FINANCIAL INSTRUMENT RISK MANAGEMENT

17/1 Fair value measurement of financial instruments

As at 30 June 2026 and 31 December 2025, the Company had no financial instruments measured at fair value.

17/2 Financial instrument risk management

The Company's activities expose it to various financial risks, including credit risk, liquidity risk, market price risk, currency risk and interest rate risk.

Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on trade receivables, amounts due from related parties and bank balances, as follows:

- The Company manages credit risk on trade receivables by establishing credit limits for each customer and continuously monitoring outstanding receivables.
- Receivable balances are monitored so that the Company does not incur material bad debts. Cash balances are maintained with highly rated financial institutions.

The Company's maximum exposure to credit risk was as follows:

	Note	30 June 2026	31 December 2025
Bank balances		**1,038,990**	1,097,188
Trade receivables	8	**1,449,124**	4,796,320
		2,488,114	5,893,508

(All amounts are in Saudi Riyals unless otherwise stated)

17- FAIR VALUE AND FINANCIAL INSTRUMENT RISK MANAGEMENT (CONTINUED)

17/2 Financial instrument risk management (continued)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in obtaining funds to meet obligations associated with financial instruments. Liquidity risk may arise from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by continuously monitoring liquidity and ensuring that adequate financial resources are available. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities, funding and borrowing sources, or reliance on a particular market for obtaining liquid assets.

		Future undiscounted contractual cash flows			
	Total Carrying amount	**One year or less**	**From one year to 5 years**	**5 years or more**	**Total contractual maturities**
2026					
Non-derivative financial liabilities					
Trade payables	**12,973,257**	**12,973,257**	**--**	**--**	**12,973,257**
Accrued expenses and other payables	**33,604,145**	**33,604,145**	**--**	**--**	**33,604,145**
Lease liabilities	**39,010,270**	**10,269,634**	**22,110,238**	**17,060,000**	**49,439,872**
	85,587,672	**56,847,036**	**22,110,238**	**17,060,000**	**96,017,274**
2025					
Non-derivative financial liabilities					
Loans	3,367,843	3,367,843	--	--	3,367,843
Trade payables	24,660,226	24,660,226	--	--	24,660,226
Accrued expenses and other payables	33,724,205	33,724,205	--	--	33,724,205
Lease liabilities	47,949,888	11,446,652	25,607,567	22,640,000	59,694,219
	109,702,162	73,198,926	25,607,567	22,640,000	121,446,493

The cash flows included in the above maturity analysis are not expected to occur significantly earlier or at materially different amounts.

(All amounts are in Saudi Riyals unless otherwise stated)

17- FAIR VALUE AND FINANCIAL INSTRUMENT RISK MANAGEMENT (CONTINUED)

17/2 Financial instrument risk management (continued)

Market price risk
Market price risk is the risk that the value of financial instruments will fluctuate because of changes in market prices, such as foreign exchange rates and interest rates, affecting the Company's profit or the value of its financial assets. The objective of market risk management is to manage and maintain market risk exposures within acceptable limits while optimizing returns. The Company is not exposed to market price risk.

Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate because of changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency other than the Company's functional currency.

Capital management
The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits to other stakeholders, while maintaining a strong capital base to support the sustainable development of its business.

The ratio of the Company's adjusted net liabilities to net equity was as follows:

	30 June 2026	31 December 2025
TOTAL LIABILITIES	**110,795,437**	119,660,156
Less: cash and cash equivalents	**(1,304,294)**	(1,353,666)
Net liabilities	**109,491,143**	118,306,490
Total shareholders' (deficit) / equity	**(5,184,516)**	17,146,431
Net liabilities to shareholders' equity	**(21.1)**	6.9

18- FINANCIAL INSTRUMENTS
The Company's financial assets comprise cash and cash equivalents, amounts due from related parties and trade receivables, net. Its financial liabilities comprise trade payables and a long-term loan. The fair values of financial instruments do not differ materially from their carrying amounts. As at 30 June 2026, the Company did not hold any financial instruments measured at fair value.

19- MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

Management prepared the interim condensed financial statements on a going concern basis, which assumes that the Company will continue its operations, realize its assets and settle its liabilities in the ordinary course of business for the foreseeable future, being a period of not less than twelve months from the end of the reporting period. However, the Company experienced adverse financial and operating performance and material challenges during the current period, principally as follows:

- The Company's accumulated losses as of 30 June 2026 amounted to SAR 78.3 million, representing 107% of its share capital, compared with accumulated losses of SAR 56 million, representing 76.6% of share capital, as of 31 December 2025. The Company's current liabilities also exceeded its current assets, resulting in a working capital deficit of SAR 66.0 million as at 30 June 2026, compared with a deficit of SAR 60 million as at 31 December 2025.

- The Company's revenue decreased materially from SAR 68.9 million for the six-month period ended 30 June 2025 to SAR 23.7 million for the current period, representing a decrease of approximately 65.6%.

- The net loss for the period increased from SAR 18.4 million for the six-month period ended 30 June 2025 to SAR 22.3 million for the current period, representing an increase of approximately 21.4%.

- The Company used net cash flows of SAR 5.7 million in operating activities during the six-month period ended 30 June 2026, compared with net cash flows generated from operating activities of SAR 4.7 million during the corresponding period of the previous year. Cash and cash equivalents amounted to only SAR 1.3 million as at 30 June 2026, reflecting continued pressure on the Company's available liquidity.

- Liquidity pressures and delays in settling certain supplier balances and accrued expenses continued. The Company's ability to meet its short-term obligations depends on the success of management's operating and financing plans described below.

These events and conditions, collectively, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Consequently, the Company may be unable to realize its assets and discharge its liabilities in the ordinary course of business unless the management plans described below are successful.

Management's plans and going concern assessment

Management prepared a business plan and cash-flow forecasts covering the period from 2026 to 2030, incorporating a range of operating and financing measures intended to improve performance and profitability and enhance the Company's available liquidity. The principal measures are as follows:

- Rationalizing the branch network by closing locations with weak performance and high operating losses. During the current period, management closed six branches and is considering closing two additional branches during the subsequent period to reduce operating losses and improve the efficiency of the continuing branches.

- Restructuring operations, the head office and support centres, including reducing employee, facility and general and administrative costs by decreasing headcount at existing branches and terminating employees of branches that have been closed.

- Gradually improving the gross profit margin from 6.5% in 2026 to 13.4% in 2027 and 25.4% by 2030 by centralizing production, warehouse and central-kitchen operations, completing the factory, improving production efficiency and strengthening controls over material and labour costs.

19- MATERIAL UNCERTAINTY RELATED TO GOING CONCERN (CONTINUED)

Management's plans and going concern assessment (Continued)

- Reactivating the catering and food-services segment by allocating the working capital required to support the segment's activities. Management aims to restore by 2027 the level of activity achieved in 2025 in providing services to pilgrims and to achieve gradual growth in subsequent years.

- Diversifying revenue sources by opening new branches and cloud kitchens, establishing a central kitchen in Riyadh, developing new brands, and increasing marketing and digital transformation activities. Management aims to achieve 55% of the targeted revenue from these activities during 2027, increasing gradually in subsequent years as the activities mature.

- Completing the planned increase in the Company's share capital during 2027, with total proceeds of SAR 105 million, which management intends to use to settle overdue supplier obligations and expenses, support working capital, and finance expansion and development plans.

Based on management's assessment of forecast cash flows and the planned measures to reduce costs, restructure operations, rationalize the branch network, grow revenue and complete the capital increase, management concluded that the use of the going concern basis in preparing these interim condensed financial statements is appropriate and that the Company will be able to continue its operations and meet its obligations as they fall due for the foreseeable future, being a period of not less than twelve months from the end of the reporting period.

Nevertheless, the success of management's plans depends materially on completing the capital increase at the targeted time and amount, managing short-term obligations and securing the liquidity required before the capital increase is completed, successfully implementing the restructuring and cost-reduction measures, and achieving the forecast improvement in revenue, profit margins and cash flows. Actual results may differ from the estimates, confirming the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The interim condensed financial statements do not include any adjustments to the carrying amounts of assets, the classification of assets and liabilities, or the amounts that may result if the Company is unable to continue its operations.

20- SUBSEQUENT EVENTS

Feasibility Study Regarding Al Safa Branch
On 10 August 2026, the Board of Directors approved directing the Executive Management to prepare a comprehensive feasibility study regarding the sale of Al Safa Branch, one of the Company’s branches, and the extent of the benefit from exiting or retaining the branch, including the relevant financial and operational aspects, and to submit the results and recommendations of the study to the Board of Directors for discussion and taking the appropriate decision, in line with the Board’s decision regarding this matter during the period ended 30 June 2026. Accordingly, and since the study and evaluation procedures have not yet been completed for the purpose of discussing and taking the appropriate decision in this regard, the branch has not been considered as a discontinued operation and has been recognized and classified according to its nature and current use within property and equipment.

Except as disclosed in these interim condensed financial statements, based on management's assessment there were no significant subsequent events between the end of the period and the date on which the Board of Directors approved these interim condensed financial statements that would require disclosure or adjustment in these interim condensed financial statements.

21- COMPARATIVE FIGURES

The comparative figures for the previous year included in these financial statements were not subject to any material reclassification. Accordingly, the presentation of balances and disclosures remains consistent with the current period, ensuring comparability of the financial information.

22- APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The Company's Board of Directors approved and authorized the issue of these interim condensed financial statements on 27 Safar 1448H, corresponding to10 August 2026G.