

HORIZON FOOD COMPANY

(A Saudi Joint Stock Company)

**INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2026**

HORIZON FOOD COMPANY
(A Saudi Joint Stock Company)

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

For the three-month period ended 31 March 2026

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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 31 March 2026, and the interim condensed statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-months 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 (IAS 34) - "Interim Financial Reporting" 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 consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 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: 24 Thul Qidah 1447 H
11 May 2026



HORIZON FOOD COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

		<i>31 March</i>	<i>31 December</i>
		<i>2026</i>	<i>2025</i>
		<i>ﷲ</i>	<i>ﷲ</i>
	<i>Note</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	81,045,675	82,339,809
Projects under construction	5	494,278	3,328,282
Intangible assets	6	2,717,585	-
Right-of-use assets		443,419	454,180
TOTAL NON-CURRENT ASSETS		84,700,957	86,122,271
CURRENT ASSETS			
Inventories	7	27,948,899	26,005,663
Prepayments and other debit balances	8	4,162,846	5,805,020
Trade receivables, net	9	4,216,066	3,801,927
Bank balances		14,067,896	7,983,269
TOTAL CURRENT ASSETS		50,395,707	43,595,879
TOTAL ASSETS		135,096,664	129,718,150
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	10	80,000,000	80,000,000
Reserve	11	2,234,733	2,234,733
Retained earnings		38,853,801	35,116,485
TOTAL SHAREHOLDERS' EQUITY		121,088,534	117,351,218
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities - non-current portion		449,954	448,276
Employees' defined benefits obligations		1,602,740	1,463,341
TOTAL NON-CURRENT LIABILITIES		2,052,694	1,911,617
CURRENT LIABILITIES			
Trade payables		6,998,649	5,928,854
Accrued expenses and other current liabilities	12	3,772,503	3,597,177
Lease liabilities - current portion		52,422	52,422
Zakat provision	13	1,131,862	876,862
TOTAL CURRENT LIABILITIES		11,955,436	10,455,315
TOTAL LIABILITIES		14,008,130	12,366,932
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		135,096,664	129,718,150

Chairman of Board of Directors

Yousif Abdullah Alrajhi

Chief Executive Officer

Khadim Sarwar

Chief Financial Officer

Thawqueer Ahmed





The attached notes 1 to 21 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 period ended 31 March 2026

	Notes	For the three-month period ended 31 March	
		2026 S	2025 S
Revenue	15	21,280,332	18,828,975
Cost of revenue		(14,482,112)	(12,692,599)
GROSS PROFIT		6,798,220	6,136,376
EXPENSES			
Selling and marketing		(765,526)	(1,083,539)
General and administration		(2,197,575)	(1,790,827)
PROFIT FROM MAIN OPERATIONS		3,835,119	3,262,010
Finance cost		(1,678)	(1,678)
Other income, net		158,875	310,601
PROFIT BEFORE ZAKAT		3,992,316	3,570,933
Zakat	13	(255,000)	(150,000)
NET PROFIT FOR THE PERIOD		3,737,316	3,420,933
OTHER COMPREHENSIVE INCOME			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Remeasurement on employees' defined benefits		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		3,737,316	3,420,933
EARNINGS PER SHARE			
Basic and diluted earnings per share from net profit for the period attributable to shareholders of the Company	14	0.47	0.43

Chairman of Board of Directors
Yousif Abdullah Alrajhi



Chief Executive Officer
Khadim Sarwar



Chief Financial Officer
Thawqueer Ahmed



The attached notes 1 to 21 form an integral part of these interim condensed financial statements.

HORIZON FOOD COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the three-month period ended 31 March 2026

	<i>Share capital</i>	<i>Reserve</i>	<i>Retained earnings</i>	<i>Total</i>
	<i>ـﷲ</i>	<i>ـﷲ</i>	<i>ـﷲ</i>	<i>ـﷲ</i>
As at 31 December 2024 (audited)	80,000,000	2,234,733	29,925,928	112,160,661
Total comprehensive income for the period	-	-	3,420,933	3,420,933
Balance at 31 March 2025 (unaudited)	<u>80,000,000</u>	<u>2,234,733</u>	<u>33,346,861</u>	<u>115,581,594</u>
As at 31 December 2025 (audited)	80,000,000	2,234,733	35,116,485	117,351,218
Total comprehensive income for the period	-	-	3,737,316	3,737,316
Balance at 31 March 2026 (unaudited)	<u>80,000,000</u>	<u>2,234,733</u>	<u>38,853,801</u>	<u>121,088,534</u>

Chairman of Board of Directors
Yousif Abdullah Alrajhi



Chief Executive Officer
Khadim Sarwar



Chief Financial Officer
Thawqueer Ahmed



HORIZON FOOD COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2026

	For the three-month period ended 31 March	
	2026	2025
	S	S
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Profit before zakat	3,992,316	3,570,933
<i>Non-cash adjustments to reconcile profit before zakat to net cash flows from/(used in) operating activities :</i>		
Depreciation for property and equipment	1,544,409	1,083,911
Amortization of intangible assets	116,419	-
Depreciation of right-of-use assets	10,761	14,252
Gain on disposal of property and equipment	-	(204,951)
Charge for expected credit losses of receivables	105,000	-
Current service cost of employees' defined benefits	139,399	112,985
Finance cost	1,678	1,678
	<u>5,909,982</u>	<u>4,578,808</u>
Working capital adjustments:		
Trade receivables	(519,139)	(350,638)
Prepayments and other debit balances	1,642,174	(930,476)
Inventories	(1,943,236)	(2,461,855)
Trade payables	1,069,795	(336,838)
Accrued expenses and other current liabilities	175,326	(1,055,018)
Cash flows from/(used in) operations	<u>6,334,902</u>	<u>(556,017)</u>
Employees' defined benefits obligations paid	-	(1,700)
Net cash flows from/(used in) operating activities	<u>6,334,902</u>	<u>(557,717)</u>
INVESTING ACTIVITIES		
Additions to property and equipment	(250,275)	(288,032)
Proceeds from disposal of property and equipment	-	220,650
Additions to projects under construction	-	(356,414)
Net cash flows used in investing activities	<u>(250,275)</u>	<u>(423,796)</u>
NET CHANGE IN BANK BALANCES		
Bank balances at the beginning of the period	6,084,627	(981,513)
	7,983,269	3,574,854
BANK BALANCES AT THE END OF THE PERIOD	<u>14,067,896</u>	<u>2,593,341</u>
NON-CASH TRANSACTIONS		
Transfer of projects under construction to intangible assets	<u>2,834,004</u>	<u>-</u>

Chairman of Board of Directors
Yousif Abdullah Alrajhi



Chief Executive Officer
Khadim Sarwar



Chief Financial Officer
Thawqueer Ahmed



The attached notes 1 to 21 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

At 31 March 2026

1 GENERAL INFORMATION

1.1 Activities

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 is listed in Saudi secondary market (Nomu).

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.

The Company has the following branches:

<u>Commercial registration</u>	<u>Date</u>	<u>Location</u>
2050105126	27/05/1436	Dammam
2251067369	11/04/1438	Dammam

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

1.2 Geopolitical developments

The Company continues to monitor regional geopolitical developments and assess their potential impact on the Kingdom of Saudi Arabia, as well as more broadly on the Gulf Cooperation Council (GCC) region and the Middle East. In light of the ongoing uncertainty associated with these developments, the Company continues to evaluate the related risks. Given the evolving nature of the situation, the Company will continue to assess the potential long-term implications on its operations in future reporting periods.

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 2025. 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 (ﷲ), which is also the functional currency of the Company.

HORIZON FOOD COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 31 March 2026

2 BASIS OF PREPARATION (continued)

2.4 Significant accounting policies, 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 2025, except for the adoption of new standards effective as of 1 January 2026. 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 2026, and have no impact on the Company's transactions and balances for the current or prior periods:

- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments
- Annual Improvements to IFRS accounting Standards – Volume 11
- Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-Dependent Electricity

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 2025.

Horizon Food Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 31 March 2026

4 PROPERTY AND EQUIPMENT

Cost:	Buildings #	Machinery and equipment #	Motor vehicles #	Furniture and fixtures #	Office equipment #	Total #
At 1 January 2025	43,868,433	23,365,110	2,701,872	184,734	745,255	70,865,404
Additions	239,910	263,098	1,097,093	82,055	32,830	1,714,986
Disposals	-	-	(628,602)	-	-	(628,602)
Transfer from projects under construction	4,363,035	24,569,168	320,000	541,590	2,397,577	32,191,370
At 31 December 2025	48,471,378	48,197,376	3,490,363	808,379	3,175,662	104,143,158
Additions	138,126	63,679	-	-	48,470	250,275
At 31 March 2026	48,609,504	48,261,055	3,490,363	808,379	3,224,132	104,393,433
<i>Depreciation:</i>						
At 1 January 2025	6,371,117	8,257,972	2,403,677	116,283	357,555	17,506,604
Charge for the year	2,437,463	1,934,489	383,490	36,118	118,088	4,909,648
Disposals	-	-	(612,903)	-	-	(612,903)
At 31 December 2025	8,808,580	10,192,461	2,174,264	152,401	475,643	21,803,349
Charge for the period	645,946	708,405	102,763	19,934	67,361	1,544,409
At 31 March 2026	9,454,526	10,900,866	2,277,027	172,335	543,004	23,347,758
<i>Net book value:</i>						
At 31 March 2026 (Unaudited)	39,154,978	37,360,189	1,213,336	636,044	2,681,128	81,045,675
At 31 December 2025 (Audited)	39,662,798	38,004,915	1,316,099	655,978	2,700,019	82,339,809

- 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 (continued)

At 31 March 2026

5 PROJECTS UNDER CONSTRUCTION

	<i>31 March</i> <i>2026</i> #	<i>31 December</i> <i>2025</i> #
	<i>(Unaudited)</i>	<i>(Audited)</i>
<i>Cost:</i>		
At the beginning of the period/year	3,328,282	34,739,918
Additions	-	779,734
Transfer to intangible assets (*)	(2,834,004)	-
Transfer to property and equipment (**)	-	(32,191,370)
At the end of the period/year	<u>494,278</u>	<u>3,328,282</u>

(*): The Company capitalised the ERP system during the current period.

(**): 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 2025.

As of the quarter end, all of the projects under construction balance amounting to # 494,278 relate to the factory extension project and is expected to be completed before year-end.

6 INTANGIBLE ASSETS

	<i>31 March</i> <i>2026</i> #	<i>31 December</i> <i>2025</i> #
	<i>(Unaudited)</i>	<i>(Audited)</i>
Transfer from projects under construction	2,834,004	-
Amortization charge for the period	(116,419)	-
Net book value at the end of the period/year	<u>2,717,585</u>	<u>-</u>

Intangible assets represent an ERP that is used by the Company and is amortized over a period of 6 years. The amortization charge for the intangible assets is allocated to cost of revenue.

7 INVENTORIES

	<i>31 March</i> <i>2026</i> #	<i>31 December</i> <i>2025</i> #
	<i>(Unaudited)</i>	<i>(Audited)</i>
Raw materials	18,457,991	17,123,780
Finished goods	9,490,908	8,881,883
	<u>27,948,899</u>	<u>26,005,663</u>

The inventory turnover is high and therefore, it is not exposed to any significant risk of impairment.

HORIZON FOOD COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 31 March 2026

8 PREPAYMENTS AND OTHER DEBIT BALANCES

	<i>31 March</i>	<i>31 December</i>
	<i>2026</i>	<i>2025</i>
	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Prepaid expenses	1,899,674	2,113,519
Advances to suppliers	1,319,664	1,338,714
Advances to employees	605,605	1,410,935
Insurance claim	337,903	941,852
	<u>4,162,846</u>	<u>5,805,020</u>

9 TRADE RECEIVABLES, NET

	<i>31 March</i>	<i>31 December</i>
	<i>2026</i>	<i>2025</i>
	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Trade receivables	4,735,377	4,216,238
Less: provision for expected credit losses	(519,311)	(414,311)
	<u>4,216,066</u>	<u>3,801,927</u>

Movement in the provision for expected credit losses is as follows:

	<i>31 March</i>	<i>31 December</i>
	<i>2026</i>	<i>2025</i>
	<i>ﷲ</i>	<i>ﷲ</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
At the beginning of the period/year	414,311	150,310
Charged during the period/year	105,000	264,001
At the end of the period/year	<u>519,311</u>	<u>414,311</u>

The analysis of receivables ageing was as follows:

	Not due	0-90 days	91-150 days	More than 151 days	Total
	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>
As at 31 March 2026	1,411,560	639,815	1,777,847	906,155	4,735,377
As at 31 December 2025	1,487,866	150,585	44,937	2,532,850	4,216,238

10 SHARE CAPITAL

The share capital of the Company is divided into 8,000,000 shares with a nominal value of ﷲ 10 each (31 December 2025: same).

11 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.

HORIZON FOOD COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 31 March 2026

12 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	<i>31 March</i> <i>2026</i> #	<i>31 December</i> <i>2025</i> #
	<i>(Unaudited)</i>	<i>(Audited)</i>
Accrued expenses	2,284,350	2,741,848
VAT liability	1,263,608	711,110
Accrued commissions	224,545	144,219
	<u>3,772,503</u>	<u>3,597,177</u>

13 ZAKAT

13.1 Charge for the period/year

The charge for the interim period is calculated based on estimated zakat charge for the whole year (31 December 2025: Zakat provision charged of # 877,839).

13.2 Movements in provision during the period/year

The movement in the zakat provision was as follows:

	<i>31 March</i> <i>2026</i> #	<i>31 December</i> <i>2025</i> #
	<i>(Unaudited)</i>	<i>(Audited)</i>
At the beginning of the period/year	876,862	665,915
Provided during the period/year	255,000	877,839
Payments during the period/year	-	(666,892)
At the end of the period/year	<u>1,131,862</u>	<u>876,862</u>

13.3 Status of assessments

The Company submitted its zakat declarations for all years up to and including the year ending 31 December 2025 and obtained the required certificates. The zakat position has been cleared with ZATCA up to the year 2024. The Company is not aware of any additional liabilities or assessments raised related to years after.

14 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 31 March	
	<i>2026</i> #	<i>2025</i> #
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net profit attributable to equity holders of the Company	3,737,316	3,420,933
Weighted average number of ordinary shares outstanding	8,000,000	8,000,000
Basic and diluted earnings per share from net profit for the period	<u>0.47</u>	<u>0.43</u>

HORIZON FOOD COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 31 March 2026

15 REVENUE

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

	For the three-month period ended 31 March	
	2026	2025
	ﷲ	ﷲ
	(Unaudited)	(Unaudited)
Chicken shawarma sales, net	6,974,035	13,413,528
Chicken tender sales, net	8,606,224	2,574,234
Beef shawarma sales, net	1,212,725	2,472,280
Doner Kebab sales, net	790,185	293,400
Cooked chicken and meat shawarma sales, net	3,697,163	75,533
Total revenue	21,280,332	18,828,975

Set out below is the sales by geographic region:

In Kingdom sales	21,045,332	17,193,975
GCC countries sales	235,000	1,635,000
	21,280,332	18,828,975

16 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 three-month period ended 31 March	
	2026	2025
	ﷲ	ﷲ
	(Unaudited)	(Unaudited)
Salaries and allowances of executives	274,950	363,698
Remuneration and bonus to board of directors and other board members	167,873	28,985
	442,823	392,683

17 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 period.

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 three-month period ended 31 March 2026 (31 December 2025: 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 (continued)

At 31 March 2026

17 FAIR VALUE MEASUREMENT (continued)

Financial instruments by categories

	31 March	31 December
	2026	2025
	ﷲ	ﷲ
	(Unaudited)	(Audited)
Financial assets measured at amortized cost		
Trade receivables	4,735,377	4,216,238
Bank balances	14,067,896	7,983,269
Other debit balances	<u>337,903</u>	<u>941,852</u>
	<u>19,141,176</u>	<u>13,141,359</u>
Financial liabilities measured at amortized cost		
Trade payables	6,998,649	5,928,854
Accrued expenses and other current liabilities	3,772,503	3,597,177
Lease liabilities	<u>502,376</u>	<u>500,698</u>
	<u>11,273,528</u>	<u>10,026,729</u>

18 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, substantial 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.

19 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.

20 SUBSEQUENT EVENTS

In the opinion of the management, there have been no significant subsequent events since the period ended 31 March 2026 which would require either a disclosure or have a material impact on the Company's interim condensed financial statements.

21 APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed financial statements were approved for issuance by the board of directors on 24 Thul Qidah 1447 H (corresponding to 11 May 2026).