

**ALMUNAJEM FOODS COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS WITH**

**INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE MONTH AND SIX MONTH
PERIODS ENDED JUNE 30, 2025 (UNAUDITED)**

ALMUNAJEM FOODS COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025 (UNAUDITED)

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

To the shareholders of Almunajem Foods Company
(A Saudi Joint Stock Company)

Introduction

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

Scope of Review

We conducted our review in accordance with 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 statement 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 consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

Other Matter

The consolidated financial statements for the year ended 31 December 2024 and the interim condensed consolidated financial information for the three-month periods ended 31 March 2025 were audited and reviewed, respectively, by another auditor who expressed an unmodified audit opinion on those statements and an unmodified review conclusion on that information on 20 Ramadan 1446H (corresponding to 20 March 2025) and 13 Thul-Qi'dah 1446H (corresponding to 11 May 2025), respectively.

For Ernst & Young Professional Services


Abdullah A. Alshenaibir
Certified Public Accountant
License No. (583)



Riyadh: 18 Safar 1447H
(12 August 2025)

ALMUNAJEM FOODS COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2025

	Notes	June 30, 2025 ﷲ (Unaudited)	December 31, 2024 ﷲ (Audited)
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant and equipment	6	303,798,259	286,900,691
Right-of-use assets	7	104,573,323	95,393,398
Intangible assets		1,958,214	2,016,011
Investment in an associate	8	341,534,848	335,008,358
Advances to suppliers and contractors	12	25,259,402	8,006,125
TOTAL NON-CURRENT ASSETS		777,124,046	727,324,583
CURRENT ASSETS			
Inventories, net	9	715,644,600	710,136,194
Trade receivables, net	10	314,796,364	306,724,085
Prepayments and other assets	12	188,137,737	149,431,704
Cash and bank balances	13	38,646,527	42,628,379
TOTAL CURRENT ASSETS		1,257,225,228	1,208,920,362
TOTAL ASSETS		2,034,349,274	1,936,244,945
<u>EQUITY AND LIABILITIES</u>			
EQUITY			
Share capital	14-a	600,000,000	600,000,000
Statutory reserve	14-b	96,818,580	96,818,580
Actuarial valuation reserve		(6,375,512)	(6,375,512)
Retained earnings		330,551,499	319,531,748
TOTAL EQUITY		1,020,994,567	1,009,974,816
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities	7	90,640,707	86,978,929
Employees' benefit obligations		63,017,534	59,587,226
TOTAL NON-CURRENT LIABILITIES		153,658,241	146,566,155
CURRENT LIABILITIES			
Short term loans	15	227,000,000	92,000,000
Trade payables, accruals, and other liabilities	16	577,210,395	636,332,326
VAT payable		29,740,040	26,549,908
Zakat payable	17	8,321,404	12,603,459
Lease liabilities	7	17,424,627	12,218,281
TOTAL CURRENT LIABILITIES		859,696,466	779,703,974
TOTAL LIABILITIES		1,013,354,707	926,270,129
TOTAL EQUITY AND LIABILITIES		2,034,349,274	1,936,244,945

Mohammed Salman Mehmood
Chief Financial Officer

Thamer Abdulaziz Abanumay
Chief Executive Officer

Saleh Abdullah Almunajem
Chairman

The accompanying notes from 1 to 27 form an integral part of these interim condensed consolidated financial statements.

ALMUNAJEM FOODS COMPANY
(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JUNE 30, 2025

	Note	For the three-month period ended		For the six-month period ended	
		June 30, 2025 ﷵ (Unaudited)	June 30, 2024 ﷵ (Unaudited)	June 30, 2025 ﷵ (Unaudited)	June 30, 2024 ﷵ (Unaudited)
Revenue	18	797,298,851	826,288,518	1,698,788,117	1,729,233,861
Cost of sales		(675,066,431)	(693,162,163)	(1,443,228,726)	(1,400,352,442)
GROSS PROFIT		122,232,420	133,126,355	255,559,391	328,881,419
Other (expenses) income, net	19	(751,904)	4,746,579	(3,384,717)	5,739,649
Selling and distribution expenses		(75,772,518)	(66,605,643)	(151,876,190)	(138,082,826)
General and administrative expenses		(9,785,386)	(7,328,440)	(18,010,560)	(14,371,687)
Allowance for expected credit losses	10	(300,000)	(171,313)	(350,000)	(571,313)
OPERATING INCOME		35,622,612	63,767,538	81,937,924	181,595,242
Finance income	20	43,853	613,683	110,170	3,012,315
Finance cost	20	(5,432,621)	(2,624,744)	(10,093,459)	(4,073,179)
Finance cost / income, net		(5,388,768)	(2,011,061)	(9,983,289)	(1,060,864)
Share in results of associate	8	4,166,426	5,326,989	6,526,490	7,321,146
PROFIT BEFORE ZAKAT		34,400,270	67,083,466	78,481,125	187,855,524
Zakat	17	(3,413,995)	(3,262,563)	(7,461,374)	(10,032,944)
NET PROFIT FOR THE PERIOD		30,986,275	63,820,903	71,019,751	177,822,580
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss					
Remeasurement of employees' defined benefit liabilities		-	-	-	-
Other comprehensive income for the period		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		30,986,275	63,820,903	71,019,751	177,822,580
Earnings per share:					
Basic and diluted earnings per share from net profit	21	0.52	1.06	1.18	2.96

Mohammed Salman Mehmood
Chief Financial Officer

Thamer Abdulaziz Abanumay
Chief Executive Officer

Saleh Abdullah Almunajem
Chairman

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ALMUNAJEM FOODS COMPANY

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX- MONTH PERIOD ENDED JUNE 30, 2025

	Share capital ﷲ	Statutory reserve ﷲ	Actuarial valuation reserve ﷲ	Retained earnings ﷲ	Total ﷲ
As at December 31, 2023 (Audited)	600,000,000	96,818,580	(5,168,148)	235,878,819	927,529,251
Net profit for the period	-	-	-	177,822,580	177,822,580
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period (unaudited)	-	-	-	177,822,580	177,822,580
Dividends (note 22)	-	-	-	(75,000,000)	(75,000,000)
As at June 30, 2024 (Unaudited)	600,000,000	96,818,580	(5,168,148)	338,701,399	1,030,351,831
As at December 31, 2024 (Audited)	600,000,000	96,818,580	(6,375,512)	319,531,748	1,009,974,816
Net profit for the period	-	-	-	71,019,751	71,019,751
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period (unaudited)	-	-	-	71,019,751	71,019,751
Dividends (note 22)	-	-	-	(60,000,000)	(60,000,000)
As at June 30, 2025 (Unaudited)	600,000,000	96,818,580	(6,375,512)	330,551,499	1,020,994,567

Mohammed Salman Mahmood
Chief Financial Officer

Thamer Abdulaziz Abanumay
Chief Executive Officer

Saleh Abdullah Almunajem
Chairman

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ALMUNAJEM FOODS COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX -MONTH PERIOD ENDED JUNE 30, 2025

	Notes	June 30, 2025 ﷲ (Unaudited)	June 30, 2024 ﷲ (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before zakat		78,481,125	187,855,524
Adjustments for:			
Depreciation of right-of-use assets	7	7,846,807	4,794,562
Depreciation of property, plant and equipment	6	15,728,977	14,013,562
Amortization of intangible assets		321,486	263,534
Interest on lease liabilities	7	2,847,910	892,853
Interest charged on short term loans	20	7,245,549	3,180,326
Allowance for expected credit losses	10	350,000	571,313
Inventory allowance	9	108,690	343,258
Share in results of associate	8	(6,526,490)	(7,321,146)
Gain on disposal of property, plant, and equipment	19	(1,323)	(4,104,279)
Provision for employees' benefit obligations		6,828,933	5,678,762
		<u>113,231,664</u>	<u>206,168,269</u>
Changes in working capital:			
Trade receivables		(8,422,279)	(90,890,019)
Prepayments and other assets		(38,706,033)	(2,001,944)
Inventories		(5,617,096)	(35,461,722)
Trade payables, accruals, and other liabilities		(59,121,931)	(4,994,469)
VAT payable		<u>3,190,132</u>	<u>11,881,109</u>
		<u>4,554,457</u>	<u>84,701,224</u>
Finance costs paid		(9,204,251)	(3,890,090)
Employees' benefit obligations paid		(3,398,625)	(1,614,842)
Zakat paid		(11,743,429)	(18,716,274)
Net cash (used in) generated from operating activities		<u>(19,791,848)</u>	<u>60,480,018</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchases of property, plant, and equipment	6	(32,627,836)	(24,238,432)
Proceeds from disposal of property, plant, and equipment		2,614	4,138,529
Payments for purchases of intangible assets		(263,689)	-
Payments for purchase of investment in associate	8	-	(134,425,895)
Dividends received		-	1,116,900
Advances to suppliers and contractors	12	(17,253,277)	(4,168,287)
Net cash used in investing activities		<u>(50,142,188)</u>	<u>(157,577,185)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of principal portion of lease liabilities	7	(9,047,816)	(6,883,064)
Proceeds from short-term loans	15	1,996,000,000	-
Repayments of short-term loans	15	(1,861,000,000)	-
Dividends paid		(60,000,000)	(75,000,000)
Net cash generated from (used in) financing activities		<u>65,952,184</u>	<u>(81,883,064)</u>
Net change in cash and bank balances		(3,981,852)	(178,980,231)
Cash and bank balances at the beginning of the period		42,628,379	248,927,926
Cash and bank balances at the end of the period	13	<u>38,646,527</u>	<u>69,947,695</u>
Non-cash transactions			
Right of use assets		25,891,227	5,314,154
Lease liabilities		25,891,227	5,314,154

Mohammed Salman Mehmood
Chief Financial Officer

Thamer Abdulaziz Abanumay
Chief Executive Officer

Saleh Abdullah Almunajem
Chairman

The accompanying notes from 1 to 27 form an integral part of these interim condensed consolidated financial statements.

ALMUNAJEM FOODS COMPANY
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED)
FOR THE THREE MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

1. CORPORATE INFORMATION

Almunajem Foods Company (the “Company”) is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia (KSA) under commercial registration numbered 1010231822 and Unified number 7018062989, dated 7 Rabie Al Thani 1428H (corresponding to 24 April 2007). The registered address of the Company is located at Riyadh, P O Box 1544, Riyadh 11441, KSA.

The Company is a subsidiary of Abdullah Al Ali Almunajem Sons Group (the “Ultimate Parent”) which is a Closed Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010000565 dated 11 Dhu Al-Qidah 1376H (corresponding to 10 June 1957). The registered address of the Company is located at Riyadh, P O Box 2395, Riyadh 11451, KSA.

Since 20 December 2021, 30% of the Company’s shares are listed in Saudi Stock Exchange market (Tadawul). Currently, 69.3% of the Company is owned by Abdullah Al Ali Almunajem Sons Group and 0.7% by AlKafaa Real Estate Company.

During the year ended December 31, 2024, the Company has amended its By-Laws to align with the new Regulations for Companies issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as "the Law") which came into force on 26/6/1444 H (corresponding to 19 January 2023).

The Company is engaged in wholesale and retail trading in fruits, vegetables, cold and frozen poultry and meat, bottled, food stuff, through its following branches:

Commercial registration	Branch location
1131026002	Burieda
2050059043	Dammam
4030176226	Jeddah
5855030212	Khamis Mushait
4650046753	Medina
3550027505	Tabuk
3350031238	Hail
2250045420	Al-Ahsa
4031067309	Makkah
4032032800	Taif
5900017953	Jizan
1010401313	Riyadh
1010465454	Riyadh
4030291805	Jeddah
1010653210	Riyadh
3400119907	Sakaka

For the period ended June 30, 2025, and for the year ended December 31, 2024, these consolidated financial statements included the financial information of the Company and its following subsidiary, “the Group”.

Subsidiary	Year of incorporation	Ownership		Principal activity	Country of incorporation
		June 30, 2025	December 31, 2024		
The Optimal Solutions Company for Logistics Services	2024	100%	100%	Activities of third-party logistics	Kingdom of Saudi Arabia

Optimal Solutions Company for logistics services is a limited liability company registered in the Kingdom of Saudi Arabia under commercial registration number 1009107581 dated on September 29, 2024 (Corresponding/ to 26 Rabi' al-Awwal 1446 H), with a share capital of ﷲ 1,000,000.

ALMUNAJEM FOODS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE THREE MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These interim condensed consolidated financial statements for the six month period ended June 30, 2025, have been prepared in accordance with International Accounting Standard (34) “Interim Financial Reporting” that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

These condensed consolidated interim financial statements do not include all the information and disclosures required to prepare a full set of the consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as endorsed in the Kingdom of Saudi Arabia and should be read in conjunction with the Group’s annual financial statement for the year ended December 31, 2024 (“last annual consolidated financial statements”). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements. In addition, the results for the six month period ended June 30, 2025, are not necessarily indicative of the results that may be expected for the year ending December 31, 2025.

2.2 Judgments and Estimates

The preparation of Group’s interim condensed consolidated financial statements in accordance with IFRS as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as endorsed by Saudi Organization for Chartered and Professional Accountants require management to make judgements, estimates, and assumptions that affect the reported amounts of revenues, costs, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Actual results may differ from these estimates.

The significant estimates made by the management when applying the Group’s accounting policies and the significant sources of uncertainties were similar to those shown in the Group’s latest annual consolidated financial statements. See note 5 for further details.

2.3 Basis of measurement

These interim condensed consolidated financial statements have been prepared under the historical cost basis except for the employees’ benefit obligations, which have been measured in accordance with the projected unit credit method.

2.4 Going concern

These interim condensed consolidated financial statements have been prepared under the going concern basis. The Company’s management has made an assessment of the Group’s ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group’s ability to continue as a going concern.

2.5 Fair Value Measurement

A number of the Group’s accounting policies and disclosures require the measurement of fair value, for both financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values for financial assets and liabilities. This includes a team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group’s audit committee.

When measuring the fair value of assets or liabilities, the Group uses market observable data as far as possible.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in capital markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data. (unobservable inputs).

ALMUNAJEM FOODS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE THREE MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

2. BASIS OF PREPARATION (CONTINUED)

2.5 Fair Value Measurement (CONTINUED)

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Management assessed that the fair values of cash and bank balances, trade receivables, prepayments and other assets, trade payables, accruals, and other liabilities, vat payable approximate their carrying values largely due to the short-term maturities of these financial instruments.

3. PRESENTATION AND FUNCTIONAL CURRENCY

These interim condensed consolidated financial statements are presented in Saudi Riyals (“**ﷲ**”) which is the presentation currency of the Group.

4. MATERIAL ACCOUNTING POLICIES

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2024, except for the application of new accounting policies below effective from January 1, 2025.

STANDARDS ISSUED BUT NOT YET EFFECTIVE AND OTHER AMENDMENTS

New and amended standards and interpretations

Following are the standards and amendments effective on January 1, 2025 or after (unless otherwise stated) and do not have a material impact on the Company's interim condensed financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS (21): Lack of exchangeability

The amendments to IAS (21) “*The Effects of Changes in Foreign Exchange Rates*” specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the Group's interim condensed consolidated financial statements.

New and amended standards and interpretations not yet effective

The new amended, issued standards and interpretations, which are not effective yet have not been adopted early by the Company and will be adopted on their effective date as applicable. The adoption of these standards and interpretations is not expected to have any material impact on the Group on the effective date, except IFRS 18, which the Group is currently evaluating the impact of its adoption on the financial statements.

<u>Standard, Amendment or Interpretation</u>	<u>Effective date</u>
- Amendments to IFRS (9) and IFRS (7): Classification and Measurement of Financial Instruments	January 1, 2026
- IFRS (18): Presentation and Disclosure in Financial Statements – Replaces IAS (1) Presentation of Financial Statements.	January 1, 2027
- IFRS (19) - Subsidiaries without Public Accountability: Disclosures	January 1, 2027
- Amendments to IFRS (10) and IAS (28): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date of this amendment is postponed indefinitely.

ALMUNAJEM FOODS COMPANY
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE THREE MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

5. SIGNIFICANT JUDGEMENTS, ASSUMPTIONS AND ESTIMATES

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

The estimates and underlying assumptions are reviewed on an ongoing basis. The differences arising on revisions to estimates are recognized prospectively.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Group's annual financial statements.

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Useful lives and residual values of property and equipment

The useful life of each item of the Group's property and equipment is estimated based on the period during which the asset is expected to be available for use. This estimate is based on a collective evaluation of practices in similar businesses, internal technical evaluation, past experience with similar assets and application of judgments when the asset becomes available for use and computation of the depreciation cost.

The estimated useful life of each asset is periodically reviewed and updated in the event that expectations differ from previous estimates as a result of normal depreciation of the asset, technical and commercial obsolescence, legal or other restrictions on the use of the asset. Any change in the estimated useful life or depreciation pattern will be accounted for prospectively.

Leases – Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE THREE MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

6. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2025 ﷲ (Unaudited)	June 30, 2024 ﷲ (Unaudited)	December 31, 2024 ﷲ (Audited)
Cost:			
At the beginning of the period/year	569,377,667	541,458,845	541,458,845
Additions during the period/year	32,627,836	24,238,432	50,655,400
Disposals during the period/year	(17,058)	(3,147,234)	(22,736,578)
At the end of the period/year	601,988,445	562,550,043	569,377,667
Accumulated depreciation:			
At the beginning of the period/year	282,476,976	276,039,785	276,039,785
Charge during the period/year	15,728,977	14,013,562	28,760,888
Disposals during the period/year	(15,767)	(3,112,984)	(22,323,697)
At the end of the period/year	298,190,186	286,940,363	282,476,976
Net book value:			
At the end of the period/year *	303,798,259	275,609,680	286,900,691

* The Property, plant, and equipment balance as of June 30, 2025 includes construction work in progress related to construction works for new meat factory located in Jeddah with an amount of ﷲ 16.6 million (December 31, 2024: ﷲ 3.9 million). Capital commitments related to property, plant, and equipment are disclosed in note 24.

7. LEASES

Set out below are the carrying amounts of the right-of-use assets and lease liabilities and the movements during the period/year:

	June 30, 2025 ﷲ (Unaudited)	June 30, 2024 ﷲ (Unaudited)	December 31, 2024 ﷲ (Audited)
Right-of-use assets			
At the beginning of the period/year	95,393,398	42,293,830	42,293,830
Adjustments*	(3,167,364)	-	-
Additions **	25,891,227	5,314,154	63,128,286
Depreciation charge	(7,846,807)	(4,794,562)	(10,028,718)
Disposals	(5,697,131)	-	-
At the end of the period/year	104,573,323	42,813,422	95,393,398
	June 30, 2025 ﷲ (Unaudited)	June 30, 2024 ﷲ (Unaudited)	December 31, 2024 ﷲ (Audited)
Lease liabilities			
At the beginning of the period/year	99,197,210	45,606,019	45,606,019
Adjustments*	(3,167,364)	-	-
Additions **	25,891,227	5,314,154	63,128,286
Accretion of interest	2,847,910	892,853	2,326,978
Payments	(11,006,518)	(7,592,828)	(11,864,073)
Disposals	(5,697,131)	-	-
At the end of the period/year	108,065,334	44,220,198	99,197,210

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7. LEASES (continued)

- * Updating the interest rate from 6% to 8.2% on some contracts led to an adjustment is allocated in the statement of financial position between of the right-of-use assets and lease liabilities with the amount of ﷲ 3.16 million in addition to the statement of profit or loss and other comprehensive income with an amount of 243.6K.
- ** Building leased includes a lease from the Al-Kafa'a Real State Company, Subsidiary of ultimate Parent Company. Refer to (note 11) for further details on related parties' transactions and balances.

Lease liabilities are classified in the interim condensed consolidated statement of financial position as follows:

	June 30, 2025	December 31, 2024
	ﷲ	ﷲ
	(Unaudited)	(Audited)
Current	17,424,627	12,218,281
Non-current	90,640,707	86,978,929
	108,065,334	99,197,210

8. INVESTMENT IN AN ASSOCIATE

The Company has signed binding share purchase agreement on 25/8/1445H (corresponding to March 6, 2024G) to acquire shares in Balady Poultry Trading Company, the investee, in accordance with which the Company purchased 1,116,900 shares (representing 17% of investee's shares) from existing shareholders in Balady Poultry Trading Company through a private transactions, at a purchase price of ﷲ 120 per share with total amount of ﷲ 134.1 million including transaction costs of ﷲ 397.90 thousand, the transaction was self-financed by the Company.

Subsequent to the above agreement, on 20 Shawwal 1445 H (corresponding to April 29, 2024G) the Company signed another binding share purchase agreement with the major shareholders of Balady Poultry Trading Company, under which the Company purchased an additional 1,511,100 shares, which represents in additional 23% of the investee's shares at a purchase price of ﷲ 120 per share for a total of ﷲ 181.33 million including transaction costs of ﷲ 367.9 thousands. The transaction was partially self-financed, and the remaining was from external sources. The transaction was approved by the relevant authorities and completed on 18 Safar 1446 H (corresponding to 22 August 2024G), and the Company's ownership increased from 17% to 40% of the total shares of Balady Poultry Trading Company.

The movement in investment in associate is as follows:

	June 30, 2025	June 30, 2024	December 31, 2024
	ﷲ	ﷲ	ﷲ
	(Unaudited)	(Unaudited)	(Audited)
At the beginning of the period/year	335,008,358	-	-
Purchases during the period/year	-	134,425,895	316,125,799
Share of results for the period /year	6,526,490	7,321,146	22,157,010
Dividends declared during the period/year	-	(1,116,900)	(3,350,700)
Share of OCI	-	-	76,249
At the end of the period/year	341,534,848	140,630,141	335,008,358

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9. INVENTORIES

	June 30, 2025 ﷲ (Unaudited)	December 31, 2024 ﷲ (Audited)
Goods for resale	401,028,803	385,465,396
Goods in transit	270,479,393	298,924,291
Raw material and consumables	42,058,828	23,487,713
Spares and consumables	4,279,530	4,352,058
Less: Inventory allowance *	(2,201,954)	(2,093,264)
	<u>715,644,600</u>	<u>710,136,194</u>

* The movement of inventory allowances as follows:

	June 30, 2025 ﷲ (Unaudited)	June 30, 2024 ﷲ (Unaudited)	December 31, 2024 ﷲ (Audited)
At the beginning of period/year	2,093,264	1,778,476	1,778,476
Provided during the period/year *	108,690	343,258	314,788
At the end of period/year	<u>2,201,954</u>	<u>2,121,734</u>	<u>2,093,264</u>

* This pertains to specifically identified spares that are no longer useable and slow-moving items.

During the period ended June 30, 2025, ﷲ 1,443 million (June 30, 2024: ﷲ 1,408 million) of the inventory was recognized as an expense in the cost of revenue. Other items in the cost of revenue include supplier's volume rebates with an amount of ﷲ 8.5 million (June 30, 2024: ﷲ 10.7 million).

10. TRADE RECEIVABLES

	June 30, 2025 ﷲ (Unaudited)	December 31, 2024 ﷲ (Audited)
Trade receivables	305,684,424	302,171,385
Other trade receivables - Due from related parties (note 11-b)	14,683,167	9,773,927
	320,367,591	311,945,312
Less: Allowance for expected credit losses	(5,571,227)	(٥,٢٢١,٢٢٧)
	<u>314,796,364</u>	<u>306,724,085</u>

Trade receivables are non-interest bearing and are generally on terms from 15 to 60 days, it is not the company's policy to obtain collateral for receivables.

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

	June 30, 2025 ﷲ (Unaudited)	June 30, 2024 ﷲ (Unaudited)	December 31, 2024 ﷲ (Audited)
At the beginning of the period/year	5,221,227	3,819,363	3,819,363
Provided during the period/year	350,000	571,313	1,401,864
At the end of the period/year	<u>5,571,227</u>	<u>4,390,676</u>	<u>5,221,227</u>

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11. RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent major shareholders, directors, and key management personnel of the Group and entities controlled, jointly controlled, or significantly influenced by such parties. Pricing policies and the terms of these transactions are approved by the Group's management.

Transactions with related parties included in the interim condensed consolidated financial statement are as follows:

a) Related parties' transactions

<u>For the six month period ended June 30, 2025 (unaudited)</u>	<u>Relationship</u>	<u>Sales</u> ﷲ	<u>Purchases</u> ﷲ	<u>Expenses*</u> ﷲ	<u>PPE purchase/ Selling</u> ﷲ
France Poultry	Subsidiary of ultimate Parent Company	-	425,372,964	-	-
Shawaya House Company	Subsidiary of ultimate Parent Company	8,884,424	-	486	-
Gulf Catering Company	Subsidiary of ultimate Parent Company	4,401,954	-	1,042,085	-
Nutrition & Diet Center Company	Subsidiary of ultimate Parent Company	2,730,015	2,982,038	159,625	-
Az-Zad Saudi Company	Subsidiary of ultimate Parent Company	667,585	-	122,192	-
Thati Limited Company	Subsidiary of ultimate Parent Company	21,750	-	134,842	-
Bureida Trading and Refrigeration	Subsidiary of ultimate Parent Company	-	-	1,239,924	5,756,600
Al-Kafa'a Real State Company	Subsidiary of ultimate Parent Company	-	-	2,115,800	-
Abdullah Al Ali Almunajem Sons	The ultimate Parent Company	-	-	1,539,407	-
Four Steps International	Owned by a member of the BOD	-	-	46,000	-
Entertainment Mine Company Ltd	Owned by a close family member	110,628	-	-	-
Balady Poultry Trading Company	Associate Company	-	21,801,234	-	-
Others	Shareholders in the ultimate Parent Company	-	-	27,000	-

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11. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

a) Related parties' transactions (continued)

<u>For the six month period ended</u> <u>June 30, 2024 (unaudited)</u>	<u>Relationship</u>	<u>Sales</u>	<u>Purchases</u>	<u>Expenses*</u>	<u>PPE</u> <u>purchase/</u> <u>Selling</u>
		<u>ﷲ</u>	<u>ﷲ</u>	<u>ﷲ</u>	<u>ﷲ</u>
France Poultry	Subsidiary of ultimate Parent Company	-	313,865,649	-	-
Shawaya House Company	Subsidiary of ultimate Parent Company	5,974,840	-	121,161	-
Gulf Catering Company	Subsidiary of ultimate Parent Company	3,293,366	-	795,801	-
Nutrition & Diet Center Company	Subsidiary of ultimate Parent Company	2,810,471	2,557,966	566,401	-
Az-Zad Saudi Company	Subsidiary of ultimate Parent Company	165,096	-	99,245	-
Thati Limited Company	Subsidiary of ultimate Parent Company	7,270	-	22,265	-
Bureida Trading and Refrigeration	Subsidiary of ultimate Parent Company	-	-	162,739	10,865,100
Al-Kafa'a Real State Company	Subsidiary of ultimate Parent Company	-	-	1,253,950	-
Abdullah Al Ali Almunajem Sons	The ultimate Parent Company	-	-	2,524,894	-
Four Steps International	Owned by a member of the BOD	-	-	40,000	-

* These expenses generally include expenses paid on behalf of the entity or its related parties, shared services centers, leases and other expenses within the normal course of business.

b) Amounts due from related parties classified under trade receivables

	June 30, 2025	December 31, 2024
	ﷲ	ﷲ
	(Unaudited)	(Audited)
Shawaya House Company	11,343,734	5,519,489
Gulf Catering Company	1,716,439	1,832,701
Nutrition and Diet Center Company	830,508	2,374,561
Azzad Saudi Company	566,609	12,233
Thati Limited Company	174,839	2,618
Entertainment Mine Company Ltd	51,038	32,325
	14,683,167	9,773,927

The above balances are unsecured, interest-free, and have settlement terms within 30-45 days. The management estimates the allowance on due from the related party balance at the reporting date at an amount equal to lifetime ECL. No receivable balances from related parties at the reporting date are past due, taking into account the historical default experience and the prospects of the industries in which the related parties operate. Management considers that related party balances as not impaired. There has been no change in estimation techniques or significant assumptions made during the current reporting period in assessing the allowances for balances due from related parties.

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11. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

c) Amounts due to related parties classified under trade payables, accruals, and other liabilities

	June 30, 2025 ﷲ (Unaudited)	December 31, 2024 ﷲ (Audited)
Balady Poultry Trading Company	2,841,954	2,187,461
Abdullah Al Ali Al Munajem Sons Company	382,908	29,788
Burieda Trading and Refrigeration Company	44,059	94,241
	<u>3,268,921</u>	<u>2,311,490</u>

Land leases include a lease with the ultimate parent Company, Abdullah Al Ali Almunajem Sons Company. Right of use assets amounting to ﷲ 25,347,876 (December 31, 2024: ﷲ 20,202,741) and lease liability amounting to ﷲ 25,461,625 (December 31, 2024: ﷲ 23,240,204) pertain to this lease (note 7). The payment of this land lease amounting to ﷲ 1.06 million (December 31, 2024: ﷲ 1.99 million).

d) Key management compensation

Key management personnel of the Group comprise of key members of the management having authority and responsibility for planning, directing, and controlling the activities of the Group. The compensation to key management is shown below:

	For the three-month period ended		For the six-month period ended	
	June 30, 2025 ﷲ (Unaudited)	June 30, 2024 ﷲ (Unaudited)	June 30, 2025 ﷲ (Unaudited)	June 30, 2024 ﷲ (Unaudited)
Short-term employee benefits *	2,579,136	2,351,718	5,424,754	4,689,152
Employees defined benefit liabilities	258,254	101,990	355,569	202,466
	<u>2,837,390</u>	<u>2,453,708</u>	<u>5,780,323</u>	<u>4,891,618</u>

* Short-term employee benefits for the six-month period ended include ﷲ 1.01 million (June 30, 2024: ﷲ 0.97 million) and for the three-month period ended include ﷲ 0.6 million (June 30, 2024: ﷲ 0.5 million) related to pertaining to the board of directors' remuneration.

12. PREPAYMENTS AND OTHER ASSETS

	June 30, 2025 ﷲ (Unaudited)	December 31, 2024 ﷲ (Audited)
Advances to suppliers and contractors **	25,259,402	8,006,125
TOTAL – Non current	<u>25,259,402</u>	<u>8,006,125</u>
Advance to a related party *	161,731,952	127,647,019
Prepayments	19,278,992	16,389,962
Advances to suppliers and contractors	3,098,297	1,690,412
Right of return assets	1,192,781	1,253,863
Employee receivables	1,001,649	647,826
Others	1,834,066	1,802,622
TOTAL - Current	<u>188,137,737</u>	<u>149,431,704</u>

* This amount represents advance payments to France Poultry (a subsidiary to the Parent Company) for future deliveries of goods. (note 10).

** Non-current portion of the advances to suppliers and contractors represented payments made to contractors for procurements of equipment and other items that will be subsequently classified under property, plant and equipment.

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13. CASH AND BANK BALANCES

	June 30, 2025 ﷲ (Unaudited)	December 31, 2024 ﷲ (Audited)
Cash at banks	35,969,389	40,961,264
Cash on hand	2,677,138	1,667,115
	<u>38,646,527</u>	<u>42,628,379</u>

14. SHARE CAPITAL AND STATUTORY RESERVE

(a) Share Capital

Authorized, issued and paid-up capital is divided into 60,000,000 shares of ﷲ 10 each (December 31, 2024: 60,000,000 shares of ﷲ 10 each).

(b) Statutory Reserve

The Company transferred 10% of its profits to statutory reserve annually based on the previous regulations of Companies and Company's bylaws. During 2024, the Company updated its bylaws based on the new Regulations for the Company, which doesn't require the transfer of profits to reserve, accordingly no transfers were made to the reserves during the period.

15. SHORT-TERM LOANS

The Group has obtained Murabaha loans from local banks to finance the Group's working capital requirements and carry interest at commercial rates at SIBOR + 0.8% and have a maturity of less than a month.

As at June 30, 2025, the Group had total loan facilities amounting to ﷲ 640 million (December 31, 2024: ﷲ 500 million).

The movement in short-term loans is as follows:

	June 30, 2025 ﷲ (Unaudited)	December 31, 2024 ﷲ (Audited)
Opening balance	92,000,000	-
Proceeds from short-term loans	1,996,000,000	791,000,000
Payments of short-term loans	(1,861,000,000)	(699,000,000)
	<u>227,000,000</u>	<u>92,000,000</u>

16. TRADE PAYABLES, ACCRUALS, AND OTHER LIABILITIES

	June 30, 2025 ﷲ (Unaudited)	December 31, 2024 ﷲ (Audited)
Trade payables*	515,462,117	577,518,439
Accrued expenses	44,551,548	44,437,263
Other trade payables- related parties (note 11-c)	3,268,921	2,311,490
Advances from customers	1,084,467	1,272,336
Other payables	12,843,342	10,792,798
	<u>577,210,395</u>	<u>636,332,326</u>

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16. TRADE PAYABLES, ACCRUALS, AND OTHER LIABILITIES (continued)

Trade and other payables are non-interest bearing and have a term of 30 to 90 days.

- * Trade Payables include supply chain agreements compatible with Islamic Sharia granted from Saudi local bank during the period ended June 30, 2025, with an amount of ﷲ 196.2 million (December 31, 2024: ﷲ 169.7 million).

The Group participates in a supplier finance arrangement referred to above, under which its suppliers may elect to receive early payment of their invoices from a bank. Under the arrangement, the bank agrees to pay amounts due to participating suppliers in respect of invoices owed by the Group and the Group repays the bank at a later date. The principal purpose of this arrangement is to facilitate efficient payment processing and provide the willing suppliers early payment terms, compared with the related invoice payment due date.

The Group has not derecognized the original trade payables relating to the arrangement because neither a legal release was obtained nor was the original liability substantially modified on entering into the arrangement. From the Group's perspective, the arrangement does not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating; however, the arrangement does provide willing suppliers with the benefit of early payment. Additionally, the Group has incurred interest towards the bank due to the suppliers with an amount of ﷲ 5.2 million for the period ended June 30, 2025 (June 30, 2024: ﷲ 3.18 million). The Group therefore includes the amounts subject to the arrangement within trade payables because the nature and function of these payables remains the same as those of other trade payables. All payables under the arrangement are classified as current as at period ended June 30, 2025 and December 31, 2024.

- ** Other payables include deferred customs duties by ﷲ 20.2 million (December 31, 2024: ﷲ 7.2 million).

17. ZAKAT PAYABLE

Movement in the Zakat Provision is as follows:

	June 30, 2025 ﷲ (Unaudited)	December 31, 2024 ﷲ (Audited)
At the beginning of the period/year	12,603,459	19,541,041
Provided during the period/year	7,461,374	12,278,692
Prior year adjustment	-	(500,000)
Paid during the period/year	(11,743,429)	(18,716,274)
At the end of the period/year	<u>8,321,404</u>	<u>12,603,459</u>

Status of assessments for the Company:

The Company has submitted its zakat declarations up to the year 2024 and has paid the zakat due accordingly. The years 2021 and 2023 were subject to review by the Zakat, Tax and Customs Authority (ZATCA), and final assessments were issued. As a result, the Company was required to pay additional zakat liabilities amounting to ﷲ 193 thousands for 2023.

The Company has finalized its Value-added tax (VAT) inspections up to the year 2023 and paid all the differences. VAT assessment for 2024 is still under processing till the date of the issuance of these interim condensed consolidated financial statements.

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18. REVENUE

	For the three-month period ended		For the six-month period ended	
	June 30, 2025 ﷲ (Unaudited)	June 30, 2024 ﷲ (Unaudited)	June 30, 2025 ﷲ (Unaudited)	June 30, 2024 ﷲ (Unaudited)
Revenue recognized at a point in time				
Non-retail - goods transferred	478,442,930	507,049,061	936,192,492	985,665,046
Retail - goods transferred	314,641,845	315,914,138	753,866,894	737,612,243
Revenue recognized over-time				
Storage rent revenue	4,214,076	3,325,319	8,728,731	5,956,572
	797,298,851	826,288,518	1,698,788,117	1,729,233,861

Revenue is generated inside the Kingdom of Saudi Arabia.

19. OTHER EXPENSES / (INCOME)

	For the three-month period ended		For the six-month period ended	
	June 30, 2025 ﷲ (Unaudited)	June 30, 2024 ﷲ (Unaudited)	June 30, 2025 ﷲ (Unaudited)	June 30, 2024 ﷲ (Unaudited)
Gain on disposal of property, plant, and equipment	513	4,109,141	1,323	4,104,279
Foreign currencies exchange (losses) / gain	(2,314,864)	484,253	(5,085,334)	1,272,241
Other income	1,562,447	153,185	1,699,294	363,129
	(751,904)	4,746,579	(3,384,717)	5,739,649

20. FINANCE COST / INCOME, NET

	For the three-month period ended		For the six-month period ended	
	June 30, 2025 ﷲ (Unaudited)	June 30, 2024 ﷲ (Unaudited)	June 30, 2025 ﷲ (Unaudited)	June 30, 2024 ﷲ (Unaudited)
Finance Cost				
Bank interest (note 15)	3,768,957	2,155,447	7,245,549	3,180,326
Interest on lease liabilities	1,663,664	469,297	2,847,910	892,853
	5,432,621	2,624,744	10,093,459	4,073,179
Finance Income				
Income from short-term deposits (note 13)	(43,853)	(613,683)	(110,170)	(3,012,315)
	5,388,768	2,011,061	9,983,289	1,060,864

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21. EARNING PER SHARE

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

Diluted earnings per share are the same as the basic earnings per share as the Company does not have any convertible securities or diluted instruments to exercise.

The following table reflects the profit for the period attributable to ordinary equity holders and the weighted average number of ordinary shares outstanding during the period used in the basic and diluted EPS computations:

Basic and diluted earnings per share from net profit.

	For the three-month period ended		For the six-month period ended	
	June 30, 2025 ﷲ	June 30, 2024 ﷲ	June 30, 2025 ﷲ	June 30, 2024 ﷲ
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net profit for the period	30,986,275	63,820,903	71,019,751	177,822,580
Weighted average number of ordinary shares	60,000,000	60,000,000	60,000,000	60,000,000
Basic and diluted earnings per share	0.52	1.06	1.18	2.96

22. DIVIDENDS

The Company's Board of Directors meeting held on June 3, 2025G, (Corresponding/ to 7 Dhul-Hi'jah 1446 H), based on authority granted by shareholders during their extraordinary General Assembly meeting dated May 20, 2025G (corresponding to 22 Dhul-Qi'dah 1446 H) to authorize Board of Directors to approve payment of dividends during interim periods of 2025, have approved to distribute approved to distribute dividends for the first half of the year 2025 amounting to ﷲ 60 million to the Company's shareholders at one riyal per share, or 10% of the capital.

The Company's Board of Directors meeting held on May 28, 2024G, (Corresponding/ to 20 Dhul-Qi'dah 1445 H), based on authority granted by shareholders during their extraordinary General Assembly meeting dated May 26, 2024G (corresponding to 18 Dhul-Qi'dah 1445 H) to authorize Board of Directors to approve payment of dividends during interim periods of 2024, have approved to distribute approved to distribute dividends for the first half of the year 2024 amounting to ﷲ 75 million to the Company's shareholders at 1.25 riyal per share, or 12.5% of the capital.

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23. SEGMENT INFORMATION

The Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The Group's Chief Operating Decision Makers (CODM) are the executive directors, who monitor net profit to evaluate the performance of each operating segment reported.

The Group operates in three regions in the Kingdom of Saudi Arabia, which are its reportable segments. These regions are identified as a separate reportable segment because the Group manages them separately. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the interim condensed consolidated financial statements.

For management reporting purposes, the Group is divided into business units based on their geographical regions, as follows:

**For the three-month period ended
June 30, 2025 (Unaudited)**

	Central region ﷲ	Eastern& Northern regions ﷲ	Western& Southern regions ﷲ	Total ﷲ
Revenue	322,707,598	157,568,331	317,022,922	797,298,851
Cost of revenue	274,160,602	133,658,286	267,247,543	675,066,431
Depreciation and amortization	5,328,133	1,810,819	5,006,207	12,145,159
Segment profit before zakat	9,731,434	7,619,471	17,049,365	34,400,270

**Total assets as of June 30, 2025
(Unaudited)**

1,120,955,118	300,913,819	612,480,337	2,034,349,274
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**Total liabilities as of June 30, 2025
(Unaudited)**

927,467,802	279,816,001	57,905,304	1,013,354,707
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**For the six-month period ended
June 30, 2025 (Unaudited)**

	Central region ﷲ	Eastern& Northern regions ﷲ	Western& Southern regions ﷲ	Total ﷲ
Revenue	697,326,925	337,876,014	663,585,178	1,698,788,117
Cost of revenue	594,657,447	288,659,570	559,911,709	1,443,228,726
Depreciation and amortization	11,016,517	3,626,303	9,254,450	23,897,270
Segment profit before zakat	23,187,047	17,460,888	37,833,190	78,481,125

**Total assets as of June 30, 2025
(Unaudited)**

1,120,955,118	300,913,819	612,480,337	2,034,349,274
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**Total liabilities as of June 30, 2025
(Unaudited)**

927,467,802	279,816,001	57,905,304	1,013,354,707
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FOR THE THREE MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

23. SEGMENT INFORMATION (continued)

*For the three-month period ended
June 30, 2024 (Unaudited)*

	Central region ﷲ	Eastern& Northern regions ﷲ	Western& Southern regions ﷲ	Total ﷲ
Revenue	337,349,040	162,463,195	326,476,283	826,288,518
Cost of revenue	284,039,351	137,438,193	271,684,619	693,162,163
Depreciation and amortization	4,286,893	1,690,311	3,738,021	9,715,225
Segment profit before zakat	28,457,137	11,326,751	27,299,578	67,083,466

Total assets as of June 30, 2024
(Unaudited)

850,522,114	285,151,009	532,788,218	1,668,461,341
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Total liabilities as of June 30, 2024
(Unaudited)

564,178,283	21,534,713	52,396,514	638,109,510
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*For the six-month period ended
June 30, 2024 (Unaudited)*

	Central region ﷲ	Eastern& Northern regions ﷲ	Western& Southern regions ﷲ	Total ﷲ
Revenue	722,899,632	349,459,792	656,874,437	1,729,233,861
Cost of revenue	587,161,396	284,323,535	528,867,511	1,400,352,442
Depreciation and amortization	8,171,620	3,329,814	7,570,224	19,071,658
Segment profit before zakat	80,109,764	37,054,498	70,691,262	187,855,524

Total assets as of June 30, 2024
(Unaudited)

850,522,114	285,151,009	532,788,218	1,668,461,341
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Total liabilities as of June 30, 2024
(Unaudited)

564,178,283	21,534,713	52,396,514	638,109,510
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All the operating segments revenue and non-current assets are generated and based in the Kingdom of Saudi Arabia. There is no customer contributing 10% or more of the total revenue.

*For the three-month period ended
June 30, 2025 (Unaudited)*

	Central Region ﷲ	Eastern & Northern Regions ﷲ	Western & Southern Regions ﷲ	Total ﷲ
Revenue				
Non-retail	178,317,211	97,242,909	202,882,810	478,442,930
Retail	142,364,595	59,679,647	112,597,603	314,641,845
Storage rent revenue	2,025,792	645,775	1,542,509	4,214,076
Total revenues	322,707,598	157,568,331	317,022,922	797,298,851
Cost of revenues				
Non-retail	(151,623,097)	(83,718,256)	(171,712,162)	(407,053,515)
Retail	(118,864,514)	(49,800,819)	(94,009,717)	(262,675,050)
Storage rent revenue	(3,672,991)	(139,211)	(1,525,664)	(5,337,866)
Total Cost of revenues	(274,160,602)	(133,658,286)	(267,247,543)	(675,066,431)
Total Gross profit	48,546,996	23,910,045	49,775,379	122,232,420

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23. SEGMENT INFORMATION (continued)

<i><u>For the six-month period ended June 30, 2025 (Unaudited)</u></i>	<i>Central Region ﷲ</i>	<i>Eastern & Northern Regions ﷲ</i>	<i>Western & Southern Regions ﷲ</i>	<i>Total ﷲ</i>
Revenue				
Non-retail	359,547,691	188,070,727	388,574,074	936,192,492
Retail	333,448,881	148,542,674	271,875,339	753,866,894
Storage rent revenue	4,330,353	1,262,613	3,135,765	8,728,731
Total revenues	697,326,925	337,876,014	663,585,178	1,698,788,117
Cost of revenues				
Non-retail	(308,405,954)	(164,076,280)	(332,019,113)	(804,501,347)
Retail	(279,875,605)	(124,401,414)	(225,971,496)	(630,248,515)
Storage rent revenue	(6,375,888)	(181,876)	(1,921,100)	(8,478,864)
Total Cost of revenues	(594,657,447)	(288,659,570)	(559,911,709)	(1,443,228,726)
Total Gross profit	102,669,478	49,216,444	103,673,469	255,559,391

<i><u>For the three-month period ended June 30, 2024 (Unaudited)</u></i>	<i>Central Region ﷲ</i>	<i>Eastern & Northern Regions ﷲ</i>	<i>Western & Southern Regions ﷲ</i>	<i>Total ﷲ</i>
Revenue				
Non-retail	193,459,195	101,106,968	212,482,898	507,049,061
Retail	142,888,650	60,447,930	112,577,558	315,914,138
Storage rent revenue	1,001,195	908,297	1,415,827	3,325,319
Total revenues	337,349,040	162,463,195	326,476,283	826,288,518
Cost of revenues				
Non-retail	(171,792,794)	(102,502,658)	(212,079,030)	(486,374,482)
Retail	(110,946,398)	(34,660,746)	(59,238,102)	(204,845,246)
Storage rent revenue	(1,300,159)	(274,789)	(367,487)	(1,942,435)
Total Cost of revenues	(284,039,351)	(137,438,193)	(271,684,619)	(693,162,163)
Total Gross profit	53,309,689	25,025,002	54,791,664	133,126,355

<i><u>For the six-month period ended June 30, 2024 (Unaudited)</u></i>	<i>Central Region ﷲ</i>	<i>Eastern & Northern Regions ﷲ</i>	<i>Western & Southern Regions ﷲ</i>	<i>Total ﷲ</i>
Revenue				
Non-retail	386,702,745	203,004,202	395,958,099	985,665,046
Retail	334,249,456	145,007,569	258,355,218	737,612,243
Storage rent revenue	1,947,431	1,448,021	2,561,120	5,956,572
Total revenues	722,899,632	349,459,792	656,874,437	1,729,233,861
Cost of revenues				
Non-retail	(319,408,810)	(168,015,886)	(324,171,063)	(811,595,759)
Retail	(265,907,560)	(115,919,289)	(203,987,466)	(585,814,315)
Storage rent revenue	(1,845,026)	(388,360)	(708,982)	(2,942,368)
Total Cost of revenues	(587,161,396)	(284,323,535)	(528,867,511)	(1,400,352,442)
Total Gross profit	135,738,236	65,136,257	128,006,926	328,881,419

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24. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Group has letters of credit as of June 30, 2025, amounting to ﷲ 36 million (December 31, 2024: ﷲ 13.85 million). There are capital commitments as of June 30, 2025, amounting to ﷲ 53.9 million (December 31, 2024: ﷲ 30.47 million) related to property, plant, and equipment.

25. CHANGE IN COMPARATIVE FIGURES

Certain prior year figures have been reclassified to conform to the current presentation period.

The comparative figures for the fiscal year ending on December 31, 2024 have been reclassified as follows:

<i>Consolidated statement of financial position</i>	<i>Balance as previously reported as at December 31, 2024 ﷲ</i>	<i>Reclassification ﷲ</i>	<i>Balance as restated as at December 31, 2024 ﷲ</i>
Assets			
Property, plant and equipment	287,224,511	(323,820)	286,900,691
Intangible assets	1,692,191	323,820	2,016,011
Advances to suppliers and contractors	-	8,006,125	8,006,125
Other items	430,401,756	-	430,401,756
TOTAL NON-CURRENT ASSETS	719,318,458	8,006,125	727,324,583
Trade receivables, net	296,950,158	9,773,927	306,724,085
Due from related parties	9,773,927	(9,773,927)	-
Prepayments and other assets	157,437,829	(8,006,125)	149,431,704
Other items	752,764,573	-	752,764,573
TOTAL CURRENT ASSETS	1,216,926,487	(8,006,125)	1,208,920,362
TOTAL ASSETS	1,936,244,945	-	1,936,244,945
Liabilities			
TOTAL NON-CURRENT LIABILITIES	146,566,155	-	146,566,155
Trade payables, accruals, and other liabilities	636,208,297	124,029	636,332,326
Due to related parties	124,029	(124,029)	-
Other items	143,371,648	-	143,371,648
TOTAL CURRENT LIABILITIES	779,703,974	-	779,703,974
TOTAL LIABILITIES	926,270,129	-	926,270,129

26. SUBSEQUENT EVENTS

No other matter has occurred up to and including the date of the approval of these interim condensed consolidated financial statements by the management which could materially affect these interim condensed financial statements and the related disclosures for the period ended June 30, 2025.

27. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved for issuance by the Board of Directors on 16 Safar 1447 H (corresponding to 10 August 2025).