

NOFOTH FOOD PRODUCTS COMPANY
A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025
AND THE INDEPENDENT AUDITOR'S REVIEW REPORT

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

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Independent auditor's review report on the interim condensed financial statements

To the Shareholders of Nofoth Food Products Company

A Saudi Joint Stock Company
Riyadh, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Nofoth Food Products Company (a Saudi Joint Stock Company) (the "Company") as at 30 June 2025, and the related interim condensed statement of profit or loss and other comprehensive income for the three and six-month period ended 30 June 2025 and the related interim condensed statements of changes in equity, and cash flows for the six-month period then ended, and other explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 'Interim Financial Reporting' ("IAS 34") 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 the International Standard 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 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 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 as endorsed in the Kingdom of Saudi Arabia.

Other matter

The Interim condensed Financial Statements of the Company for the six-month period ended 30 June 2024 were reviewed by another auditor, who expressed an unmodified review report dated 8 Safar 1446H (corresponding to 12 August 2024). Further, the Financial Statements of the Company for the year ended 31 December 2024 were audited by the other auditor, who issued an unmodified audit report dated 4 Ramadhan 1446H (corresponding to 4 March 2025).

For Alzoman, Alfahad & Alhajjaj Professional Services

Zaher Abdullah Al Hajjaj
Certified Public accountant
License no. (562)



Riyadh, Kingdom of Saudia Arabia

Date : 13 Safar 1447H
Corresponding to: 07 August 2025

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Assets			
Non-current assets			
Property and equipment, net	5	73,762,879	71,539,197
Right of use asset, net	6	49,075,456	48,469,468
Intangible assets, net	7	3,436,110	3,605,367
Advance payments for purchase of intangible assets		180,194	180,194
Total non-current assets		126,454,639	123,794,226
Current assets			
Inventory, net	8	19,291,339	14,023,115
Trade receivable ,prepaid expenses and other asset, net	9	25,254,076	19,808,817
Financial investments at fair value through profit or loss	11	76,843,695	-
Murabaha investment deposits	12	-	74,355,554
Cash and cash equivalent	13	8,924,195	3,775,047
Total current asset		130,313,305	111,962,533
Total assets		256,767,944	235,756,759
Equity and liabilities			
Equity			
Share capital	1	96,000,000	48,000,000
Employees' defined benefits remeasurement reserve		(810,390)	(810,390)
Treasury shares	14	(6,920,027)	(6,920,027)
Retained earnings		73,843,391	101,049,846
Total equity		162,112,974	141,319,429
Liabilities			
Non-current liabilities			
Lease liabilities – non-current portion	6	29,979,998	28,868,030
Employees' benefit obligations		6,659,816	5,779,996
Deferred revenue – franchise fees		728,541	681,041
Total non-current liabilities		37,368,355	35,329,067
Current liabilities			
Lease liabilities – current portion	6	15,922,594	15,688,956
Deferred revenue – franchise fees		325,000	285,000
Trade payable accrued expenses and other liabilities	15	39,882,330	41,682,459
Provision for zakat		1,156,691	1,451,848
Total current liabilities		57,286,615	59,108,263
Total liabilities		94,654,970	94,437,330
Total equity and liabilities		256,767,944	235,756,759

Chief Financial Officer



Chief Executive Officer



Chairman of Board of Directors



The accompanying notes from 1 to 24 are an integral part of these interim condensed financial statements

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

FOR THE THREE-MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2025

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Note	For the three-month ended 30 June		For the Six-month ended 30 June	
		2025	2024	2025	2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales	17, 22	105,494,150	84,097,010	219,789,372	179,320,013
Cost of Sales		(39,832,224)	(32,835,019)	(80,855,383)	(68,781,845)
Gross profit		65,661,926	51,261,991	138,933,989	110,538,168
Selling and marketing expenses	18	(38,594,382)	(29,578,628)	(77,928,947)	(60,833,061)
General and administrative expenses	19	(14,653,363)	(12,187,875)	(28,203,205)	(23,381,735)
(Provision for) reversal of expected credit losses	9	(32,429)	98,281	(165,959)	-
Profit from main operations		12,381,752	9,593,769	32,635,878	26,323,372
Unrealized gains from the revaluation of financial investments at fair value through profit or loss	11	1,071,130	-	1,843,695	-
Income from Islamic murabaha deposits		-	958,477	166,596	1,831,190
Finance costs	6	(593,771)	(339,342)	(1,159,541)	(647,214)
Other income, net		181,299	728,564	374,474	1,023,051
Net profit before zakat		13,040,410	10,941,467	33,861,102	28,530,399
Zakat		(565,622)	(693,544)	(1,159,198)	(1,392,631)
Net profit for the period		12,474,788	10,247,923	32,701,904	27,137,768
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		12,474,788	10,247,923	32,701,904	27,137,768
Earnings per share					
Basic and diluted earnings per share	20	0.13	0.11	0.34	0.28

Chief Financial Officer



Chief Executive Officer



Chairman of Board of Directors



The accompanying notes from 1 to 24 are an integral part of these interim condensed financial statements

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	Share capital	Employees' defined benefits remeasurement reserve	Treasury shares	Retained earnings	Total
Balance as at 1 January 2024 (Audited)	24,000,000	(630,429)	-	83,013,661	106,383,232
Total comprehensive income for the period	-	-	-	27,137,768	27,137,768
Purchase of treasury shares	-	-	(5,934,637)	-	(5,934,637)
Transferred from retained earnings to share capital	24,000,000	-	-	(24,000,000)	-
Dividends (Note 23)	-	-	-	(9,600,000)	(9,600,000)
Balance as at 30 June 2024 (Unaudited)	48,000,000	(630,429)	(5,934,637)	76,551,429	117,986,363
Balance as at 1 January 2025 (Audited)	48,000,000	(810,390)	(6,920,027)	101,049,846	141,319,429
Total comprehensive income for the period	-	-	-	32,701,904	32,701,904
Transactions with owners of the Company:					
Bonus shares issued (Note 1)	48,000,000	-	-	(48,000,000)	-
Dividends declared and paid (Note 23)	-	-	-	(11,908,359)	(11,908,359)
Balance as at 30 June 2025 (Unaudited)	96,000,000	(810,390)	(6,920,027)	73,843,391	162,112,974

Chief Financial Officer



Chief Executive Officer



Chairman of Board of Directors



The accompanying notes from 1 to 24 are an integral part of these interim condensed financial statements

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

	For the six months period ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Net profit for the period before zakat	33,861,102	28,530,399
Adjustments to reconcile net profit for the period before zakat:		
Depreciation of property and equipment	6,738,181	5,467,695
Depreciation of right-of-use assets	9,196,147	7,513,500
Amortization of intangible assets	169,257	13,972
(Gain)/ loss on disposal of property and equipment	(54,359)	487
Gain on disposal of lease contracts	-	(116,096)
Income from Islamic murabaha deposits	(166,596)	(1,831,190)
Unrealized gains on financial investments at fair value through profit or loss	(1,843,695)	-
Reversal of provision for inventory	-	(460,115)
Provision for expected credit losses	165,959	-
Amortization of deferred revenue- franchise fees	(212,500)	(522,167)
Provision for employee benefits obligations	1,095,884	1,101,129
Finance costs	1,159,541	647,214
	50,108,921	40,344,828
Changes in operating assets and liabilities		
Inventory	(5,268,224)	(1,734,495)
Trade receivables, prepaid expenses and other assets	(5,234,173)	(5,458,433)
Due from related party	(377,045)	(100,000)
Trade payables, accrued expenses and other liabilities	(2,625,065)	7,196,903
Deferred revenue- franchise fees	300,000	-
Cash generated from operations	36,904,414	40,248,803
Employees benefit obligations paid	(216,064)	(162,841)
Zakat paid	(1,454,355)	(1,772,831)
Net cash generated from operating activities	35,233,995	38,313,131
Cash flows from investing activities		
Purchase of property and equipment	(8,962,504)	(6,659,764)
Advance payments for purchase of intangible assets	-	(107,267)
Proceeds from disposal of property and equipment	55,000	2,821
Purchase of Murabaha investments deposits	-	(112,929,274)
Purchase of financial investments at fair value through profit or loss	(75,000,000)	-
Proceeds from murabaha investment deposits	74,355,554	95,000,000
Income receipt from Islamic murabaha deposits	166,596	2,220,897
Net cash used in investing activities	(9,385,354)	(22,472,587)
Cash flows from financing activities		
Treasury shares	-	(5,934,637)
Lease liability paid	(8,791,134)	(8,461,689)
Dividends paid	(11,908,359)	-
Net cash used in financing activities	(20,699,493)	(14,396,326)
Net change in cash and cash equivalents	5,149,148	1,444,218
Cash and cash equivalents at the beginning of the period	3,775,047	10,350,422
Cash and cash equivalents at the end of the period	8,924,195	11,794,640

The accompanying notes from 1 to 24 are an integral part of these interim condensed financial statements

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

Non-Cash Transactions:

Transferred from retained earnings to increase capital	48,000,000	24,000,000
Dividends payable	-	9,600,000
Addition to the right-of-use assets and related lease liabilities	4,225,414	13,176,182
Remeasurement of right-of-use assets against lease liabilities	5,576,721	2,579
Transferred from projects under construction to property and equipment	2,012,381	3,374,220
Transferred from lease liabilities to accrued expenses	824,936	-

Chief Financial Officer



Chief Executive Officer



Chairman of Board of Directors



NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025 (UNAUDITED)

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

1. ORGANIZATION AND ACTIVITIES

Nofoth Food Products Company is a Saudi Joint Stock Company (the "Company") registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010441682 and the national number 7011006397, issued in Riyadh on 1 Jumada Al-Awwal 1437H (corresponding to 10 February 2016).

The Company's activities include retail sales of bakery products and sugary sweets, retail sales of nuts, coffee, spices, and perfumes, operating service restaurants, providing food service contracting, managing main offices, manufacturing sugary sweets such as confectionery, caramel, toffee, and nougat, operating dry food stores, offering light transportation services, wholesale of used oils and export, automated bread production, pie manufacturing, biscuit production, and the production of various types of popular and oriental sweets. The Company also handles the road transport of goods, including refrigerated, frozen goods and main offices activities.

The registered head office address of the Company is: Kingdom of Saudi Arabia – Riyadh – 6383 Abi Bakr As-Siddiq Road, Al-Nuzha District, 2747.

On 25 Jumada Al-Thani 1445H (corresponding to 7 January 2024), the Extraordinary General Assembly approved the Board of Directors' recommendation, made on 19 Safar 1445H (corresponding to 4 September 2023), to increase the Company's capital by SAR 24,000,000 through the transfer from retained earnings. This increase brings the company's capital to SAR 48,000,000, divided into 48,000,000 equal shares, each with a nominal value of SAR 1.

On 1 June 2025 (corresponding to 5 Dhu al-Hijjah 1446H), the Extraordinary General Assembly of the Company approved the Board of Directors' recommendation to increase the Company's share capital from SAR 48,000,000 to SAR 96,000,000 through the issuance of 48,000,000 bonus shares. The increase was effected by capitalizing SAR 48,000,000 from retained earnings, at the rate of one bonus share for every share held. Following the increase, the Company's share capital amounted to SAR 96,000,000, divided into 96,000,000 shares with a nominal value of SAR 1 each.

On November 24, 2024, a purchase agreement was executed between Maqsood Restaurants Establishment and Nofoth Food Products Company for the acquisition of the "Maqsood Restaurants" brand, its branches, and assets. The total consideration for the acquisition amounted to SAR 3,700,000. The fair value of the acquired assets, agreed consideration and the goodwill as of that date were as follows:

	<u>1 December 2024</u>
Acquisition Consideration	<u>3,700,000</u>
Less: Net Assets Acquired	
Trademark (Note 7, A)	3,229,457
Property and equipment, net (Note 5)	47,636
Inventory	48,224
	<u>3,325,317</u>
Goodwill (Note 7)	<u>374,683</u>

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025 (UNAUDITED)

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

2. BASIS OF PREPARATION

2-1 Statement of Compliance

The interim condensed financial statements 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 issued by Saudi Organization for Chartered and Professional Accountants (SOCPA). These condensed interim financial statements do not include all information and disclosures required for a complete set of financial statements. Also, the results for the period ended 30 June 2025 are not necessarily indicative of the results that can be expected for the year ended 31 December 2025. It should also be read in conjunction with the Company's annual financial statements for the year ended 31 December 2024. However, selected explanatory notes have also been included to explain significant events and transactions to understand the changes in the financial position and financial performance of the Company since 31 December 2024.

2-2 Basis of preparation

The interim condensed financial statements have been prepared on a historical cost basis, except when IFRS requires the use of another measurement basis, and in accordance with the accrual basis and the going concern basis.

2-3 Functional and Presentation Currency

These interim condensed financial statements are presented in Saudi Riyal, it is the Company's functional and presentation currency. All financial information presented in Saudi Riyals has been rounded to the nearest Saudi Riyal, unless otherwise stated.

3. NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE PERIOD:

The following new and revised International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), interpretations and amendments to IFRS and IAS are effective in the current period but are either not relevant to the Company or their application does not have any material impact on the interim condensed financial statements of the Company other than presentation and disclosures, except as stated otherwise.

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lack of Exchangeability (Amendments to IAS 21)
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 Climate-related Disclosures

NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Company.

Effective date (annual periods beginning on or after)

- IFRS 18 Presentation and Disclosures in Financial Statements 1 January 2027.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures 1 January 2027.
- Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments 1 January 2026.
- Annual Improvements to IFRS Accounting Standards — Volume 11 1 January 2026.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of judgments and estimates

The preparation of these interim condensed financial information requires management to use judgments 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 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.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025 (UNAUDITED)

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

5. PROPERTY AND EQUIPMENT, NET

	Lands	Leasehold improvements*	Electrical tools and equipment	Vehicles	Furniture and fixture	Projects under construction **	Total
Cost							
Balance as at 1 January, 2025 (Audited)	31,250,067	35,336,606	26,882,677	7,223,186	4,137,265	1,654,396	106,484,197
Additions during the period	-	-	2,063,968	1,782,365	114,390	5,001,781	8,962,504
Transferred from projects under construction	-	1,440,316	517,813	-	54,252	(2,012,381)	-
Disposals during the period	-	-	-	(360,925)	-	-	(360,925)
Balance as at 30 June, 2025 (unaudited)	31,250,067	36,776,922	29,464,458	8,644,626	4,305,907	4,643,796	115,085,776
Accumulated depreciation							
Balance as at 1 January, 2025 (Audited)	-	16,649,078	12,359,457	3,631,447	2,305,018	-	34,945,000
Charged for the period	-	3,188,824	2,581,849	626,324	341,184	-	6,738,181
Disposals during the period	-	-	-	(360,284)	-	-	(360,284)
Balance as at 30 June, 2025 (unaudited)	-	19,837,902	14,941,306	3,897,487	2,646,202	-	41,322,897
Net book value							
As at 30 June 2025 (Unaudited)	31,250,067	16,939,020	14,523,152	4,747,139	1,659,705	4,643,796	73,762,879

- Property and equipment's include fully depreciated assets that remain in use and are still recorded in the accounting books. The cost of these assets amounted to SAR 9,520,113 as at 30 June 2025 (31 December 2024: SAR 8,525,226).

* Leasehold improvements represent enhancements made to leased buildings and branches under lease agreements with terms of up to five years, renewable upon mutual agreement of the contracting parties (Note 6).

** Projects under construction represent ongoing works related to the fit-out and installation of decorations and equipment for the central factory and the main residence, both of which are still under development. Completion of the main residence is expected during the year 2025.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025 (UNAUDITED)

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

5. PROPERTY AND EQUIPMENT, NET (CONTINUED)

	Lands	Leasehold improvements	Electrical tools and equipment	Vehicles	Furniture and fixture	Projects under construction	Total
Cost							
Balance as at 1 January 2024	7,465,499	26,807,524	19,120,568	5,549,895	3,499,626	1,733,092	64,176,204
Additions during the year	23,784,568	3,458,791	3,998,201	1,673,291	454,839	8,901,795	42,271,485
Additions resulting from the acquisition process (Note 1)	-	-	41,136	-	6,500	-	47,636
Transferred from projects under construction	-	5,070,291	3,733,900	-	176,300	(8,980,491)	-
Disposals during the year	-	-	(11,128)	-	-	-	(11,128)
Balance as at 31 December 2024	31,250,067	35,336,606	26,882,677	7,223,186	4,137,265	1,654,396	106,484,197
Accumulated depreciation							
Balance as at 1 January 2024	-	11,115,583	8,003,979	2,588,666	1,630,630	-	23,338,858
Charged for the year	-	5,533,495	4,362,062	1,042,781	674,388	-	11,612,726
Disposals during the year	-	-	(6,584)	-	-	-	(6,584)
Balance as at 31 December 2024	-	16,649,078	12,359,457	3,631,447	2,305,018	-	34,945,000
Net book value							
As at 31 December 2024	31,250,067	18,687,528	14,523,220	3,591,739	1,832,247	1,654,396	71,539,197

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025 (UNAUDITED)

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

6. LEASES

Right of use assets represent buildings and branches recognized under lease contracts, which are depreciated on a straight-line basis over the term of the lease contract, ranging up to 5 years.

The following table presents the movement in right-of-use assets and corresponding lease liabilities during the period/year:

A- Movement on the right of use assets (buildings and branches)

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Cost		
Balance as at the beginning of the period/ year	84,421,048	49,594,847
Additions during period/year	4,225,414	26,526,056
Re-measurement during the period/year*	5,576,721	8,300,145
Balance as at the end of the period/year	94,223,183	84,421,048
Accumulated depreciation		
Balance as at the beginning of the period/year	35,951,580	20,254,442
Charged for the period/year	9,196,147	15,697,138
Balance as at the end of the period/year	45,147,727	35,951,580
Net book value	49,075,456	48,469,468

B- Movement on lease liabilities

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Balance as at the beginning of the period/year	44,556,986	26,921,252
Additions during the period/year	4,225,414	26,526,056
Re-measurement during the period/year	5,576,721	8,300,145
Interest expense amortized during the period/year	1,159,541	1,799,845
Transferred from lease liabilities to accrued expenses (Note 15)	(824,936)	(588,897)
Paid during the period/year	(8,791,134)	(18,401,415)
Balance as at the end of the period/year	45,902,592	44,556,986
The balance is classified in the condensed interim statement of financial statement as follows:		
Non-current portion	29,979,998	28,868,030
Current portion	15,922,594	15,688,956
Balance as at the end of the period/year	45,902,592	44,556,986

*The lease liabilities have been remeasured, and the corresponding adjustment to the right-of-use assets was made due to changes in the duration and payments of the leases for the period ending on 30 June 2025.

7. INTANGIBLE ASSETS, NET

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Trademark, net (A)	3,041,073	3,202,545
Goodwill (Note 1)	374,683	374,683
Program, net (B)	20,354	28,139
	3,436,110	3,605,367

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025 (UNAUDITED)

(ALL AMOUNTS ARE IN SAUDI RIYALS UNLESS OTHERWISE STATED)

7. INTANGIBLE ASSETS, NET (CONTINUED)**A-Trademark, net**

On November 24, 2024, a purchase agreement was executed between Maqsood Restaurants Establishment and Nofoth Food Products Company for the acquisition of the "Maqsood Restaurants" brand, its branches and related assets. The value of the brand was SAR 3,229,457, and it will be amortized over a period of 10 years.

The movement in the trademark is as follows:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Cost		
Balance at the beginning of the period/year	3,229,457	-
Additions during the year (Note 1)	-	3,229,457
Balance at the end of the year	3,229,457	3,229,457
Accumulated amortization		
Balance at the beginning of the period/year	26,912	-
Charge for the period/ year	161,472	26,912
Balance at the end of the year	188,384	26,912
Net book value		
As at the end of the year	3,041,073	3,202,545

B-Programs, net

The intangible assets item consists of computer software, which is amortized over 5 years. The movement of the software is as follows:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Cost		
Balance as at the beginning of the period/year	356,960	356,960
Balance as at the end of the period/year	356,960	356,960
Accumulated amortization		
Balance as at the beginning of the period/year	328,821	304,081
Charge for the period/year	7,785	24,740
Balance as at the end of the period/year	336,606	328,821
Net book value		
As at the end of the period/year	20,354	28,139

8. INVENTORY, NET

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Food	9,194,888	5,420,133
Packing and wrapping material	5,435,672	4,219,581
Finished goods	2,925,700	3,310,222
Consumable items	1,572,954	1,153,289
Cleaning materials	546,727	345,105
Office supplies	72,918	32,305
	19,748,859	14,480,635
Less:		
Provision for slow-moving inventory	(457,520)	(457,520)
	19,291,339	14,023,115

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8. INVENTORY, NET (CONTINUED)

The movement for the slow-moving inventory provision is as follows:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Balance as at the beginning of the period / year	457,520	1,070,255
Reversal during the year	-	(460,115)
Written off during the year	-	(152,620)
Balance as at the end of the period/year	457,520	457,520

9. TRADE RECEIVABLE, PREPAID EXPENSES, AND OTHER ASSETS, NET

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Trade receivables	11,807,465	10,128,342
Trade receivable – related parties (Note 10)	435,011	57,966
(Less): Provision for expected credit losses	(281,211)	(115,252)
	11,961,265	10,071,056
Advance to suppliers	7,391,446	2,779,562
Prepaid expenses	4,032,123	4,073,952
Advances to employees	1,585,235	886,572
Accrued income from Murabaha investment deposits	-	1,713,668
Other	284,007	284,007
	25,254,076	19,808,817

The movement in the provision for expected credit losses is as follows:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	115,252	38,533
Charged during the period/year	165,959	76,719
Balance at the end of the period/year	281,211	115,252

Aging of trade receivables is as follows:

	30 June 2025	31 December 2024
From 1 day to 30 days	8,908,144	9,395,093
From 31 days to 60 days	1,259,166	529,300
From 61 days to 90 days	546,433	121,939
More than 90 days	1,528,733	139,976
	12,242,476	10,186,308

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10. RELATED PARTIES

The Company, in the ordinary course of its business, engages in transactions with related parties. These transactions are conducted on terms approved by management and are consistent with those applicable to arm's length transactions.

A-The volume of transactions with related parties during the period ended 30 June is as follows:

<u>Related party</u>	<u>Nature of relationship</u>	<u>Nature of transaction</u>	<u>2025</u> <u>(Unaudited)</u>	<u>2024</u> <u>(Unaudited)</u>
Musakhan Waraq Enab for providing Meals	Affiliate*	Sales	302,967	317,129
First Travel Tourism Company	Affiliate*	Purchases	117,467	-
Abdullah Al-ameqan Real Estate Company	Affiliate*	Rental	631,854	631,854

* An affiliate is a related party whose shareholders own a share in the capital of the company, or it is those related parties in whose management the company has representation.

B-The following is the balance due from related parties:

	<u>30 June 2025</u> <u>(Unaudited)</u>	<u>31 December 2024</u> <u>(Audited)</u>
Musakhan Waraq Enab for providing Meals	406,375	57,966
First Travel Tourism Company	28,636	-
	435,011	57,966

C-TRANSACTIONS WITH SENIOR EXECUTIVES

The related parties also represent the non-executive members of the Board of Directors and the senior management personnel of the company. Senior management personnel are individuals who exercise the authority and responsibility in planning, managing and controlling the activities of the company, directly or indirectly, including the managers. Those transactions for the period ended June 30 are as follows:

	<u>2025</u> <u>(Unaudited)</u>	<u>2024</u> <u>(Unaudited)</u>
Salaries, allowances and bonuses for executive management	6,527,194	6,625,439
Allowances and bonuses for the Board of Directors	480,000	480,000
Allowances and bonuses for Committees	218,000	142,000
	7,225,194	7,247,439

11. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial investments at fair value through profit or loss represent investments in units of the Artal Murabaha Fund (A Saudi closed ended public fund managed by Artal Capital Company). The movement in these investments during the period is as follows:

	<u>Number of units</u>	<u>Cost</u>	<u>Unrealized gains</u>	<u>Market value</u>
Artal Murabaha Fund	6,726,231.5	75,000,000	1,843,695	76,843,695

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12. MURABAHA INVESTMENT DEPOSIT

On August 13, 2024, the Company invested in an Islamic Murabaha deposit with a local bank in the amount of SAR 33,000,000 for a period of 153 days, which matured on January 13, 2025. The return was based on prevailing market rates, and the income generated from this deposit for the period ended 30 June 2025, amounted to SAR 70,904.

On 14 August 2024, the Company made a second investment of SAR 41,355,554 in an Islamic Murabaha deposit with a local bank, also for a period of 153 days, maturing on January 14, 2025. The return was based on prevailing market rates, and the income generated from this deposit for the period ended 30 June 2025, amounted to SAR 95,692.

The total return on deposits for the period ended 30 June 2025, amounted to SAR 166,596.

- The following is the movement on Murabaha investment deposits:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	74,355,554	55,000,000
Deposits during the year	-	187,284,828
Matured during the period/year	(74,355,554)	(167,929,274)
	-	74,355,554

13. CASH AND CASH EQUIVALENT

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Cash at banks	8,167,528	3,471,365
Cash on hand	756,667	303,682
	8,924,195	3,775,047

14. TREASURY SHARES

On 25 Jumada Al-Thani 1445H (corresponding to January 7, 2024), the Extraordinary General Assembly approved the recommendation of the Board of Directors made on 14 Rabi' Al-Thani 1445H (corresponding to October 29, 2023) to repurchase up to 2,400,000 of the Company's shares with the intention of holding them as treasury shares and allocating them under the employee stock program.

Accordingly, based on the General Assembly's approval, the Company's management purchased 366,564 shares for a total amount of SAR 6,920,027. Following the bonus share issuance during the current period, the number of treasury shares increased to 733,128. These shares will be retained for a period not exceeding five years from the date of the Extraordinary General Assembly's approval, as the maximum duration until they are allocated to eligible employees. As of the date of this report, the Company has not announced the program.

Holders of treasury shares are not entitled to receive dividends distributed to shareholders and do not have voting rights in the Company's general assembly meetings. The balance of treasury shares as of 30 June 2025, was SAR 6,920,027.

15. TRADE PAYABLES, ACCRUED EXPENSES, AND OTHER LIABILITIES

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Trade payable	25,121,598	23,186,972
Allowances for vacations and tickets	5,403,786	4,488,101
Due to executive and non-executive directors	3,189,951	9,893,086
Value added tax	2,272,753	1,600,287
Accrued expenses	2,070,126	1,196,755
Accrued salaries, wages, and employee benefits	1,396,978	1,004,251
Others	427,138	313,007
	39,882,330	41,682,459

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16. ZAKAT PROVISION

The Company submitted its zakat returns for all previous years until the year ended 31 December 2024 and obtained the required zakat certificates, no final assessment has been issued as of the date of the reporting date.

17. SALES**Revenue recognition timing**

	For the Three-month ended 30 June		For the Six-month ended 30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At a point of time				
Revenue from sales of food products	104,736,192	83,218,765	218,458,386	177,679,199
Over a period of time				
Sales from granting franchise rights	757,958	878,245	1,330,986	1,640,814
Total Revenue	105,494,150	84,097,010	219,789,372	179,320,013

18. SELLING AND MARKETING EXPENSES

	For the Three-month ended 30 June		For the Six-month ended 30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Commissions of sales application	18,806,012	11,890,335	39,355,651	26,906,026
Salaries, wages and other benefits	7,047,171	6,913,779	14,011,222	13,599,966
Depreciation and amortization expenses	6,106,298	4,955,220	12,028,137	9,654,895
Marketing and advertising	1,506,520	1,325,707	3,294,218	2,110,328
Electricity, water and phone charges	1,421,988	1,216,743	2,433,023	2,118,574
Repair and maintenance	811,452	666,009	1,571,458	1,128,687
Consumables	770,343	629,403	1,511,457	1,265,167
Governmental expenses	698,943	719,763	1,174,385	1,506,683
Bank charges	308,001	312,893	678,169	685,731
Others	1,117,654	948,776	1,871,227	1,857,004
	38,594,382	29,578,628	77,928,947	60,833,061

19. GENERAL AND ADMINISTRATIVE EXPENSES

	For the Three-month ended 30 June		For the Six-month ended 30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries, wages and other benefits	9,487,399	8,777,663	18,854,002	17,186,379
Travel expenses	856,622	653,114	1,715,964	1,230,843
Depreciation and Amortization Expenses	817,521	645,637	1,608,362	1,269,838
Professional and consulting fees	1,035,480	175,682	1,323,680	230,747
Short-term rentals	341,368	211,387	865,956	347,591
Repair and maintenance	359,766	357,983	683,081	564,514
Electricity, water and phone charges	300,445	222,050	538,677	415,030
Governmental expenses	289,157	337,477	503,204	691,227
Consumables	97,122	80,425	186,539	129,486
Hospitality	33,936	167,728	155,832	279,067
Others	1,034,547	558,729	1,767,908	1,037,013
	14,653,363	12,187,875	28,203,205	23,381,735

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20. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the net profit for the period by the weighted average number of outstanding shares during the period.

The following table shows the earnings per share :

	For the Three-month ended 30 June		For the Six-month ended 30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net profit for the period	12,474,788	10,247,923	32,701,904	27,137,768
Weighted average of outstanding shares during the period	95,266,872	95,266,872	95,266,872	95,266,872
Basic and diluted earnings per share for the period	0.13	0.11	0.34	0.28

21. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**Liquidity risk**

Liquidity risk is the risk that the Company may encounter difficulty in raising funds to meet its financial obligations associated with financial instruments or other commitments made on behalf of others.

To reduce the liquidity risk and associated losses that may affect the business of the Company. The Company maintains, wherever possible, sufficient highly liquid current assets in all business conditions. The Company also has a highly dynamic cash flow policy and a system by which it can estimate the maturity dates of its liabilities and develop appropriate plans to provide the required funding to meet these liabilities in a timely manner.

A- The following is the maturity of liabilities as of:

30 June 2025 (Unaudited)	Book value	3 months or less	More than 3 months to 1 year	More than 1 year up to 10 years	No specific maturity dates	Total contractual cash flows
Lease liability	45,902,592	3,433,629	13,020,746	32,113,878	-	48,568,253
Employees' benefit obligations	6,659,816	-	-	-	6,659,816	6,659,816
Accounts payable accrued expenses and other liabilities	39,882,330	34,478,544	5,403,786	-	-	39,882,330
	92,444,738	37,912,173	18,424,532	32,113,878	6,659,816	95,110,399

31 December 2024 (Audited)	Book value	3 months or less	More than 3 months to 1 year	More than 1 year up to 10 years	No specific maturity dates	Total contractual cash flows
Lease liability	44,556,986	5,339,722	13,187,252	30,957,019	-	49,483,993
Employees' benefit obligations	5,779,996	-	-	-	5,779,996	5,779,996
Accounts payable accrued expenses and other liabilities	41,682,459	37,194,358	4,488,101	-	-	41,682,459
	92,019,441	42,534,080	17,675,353	30,957,019	5,779,996	96,946,448

Credit risk

Credit risk arises from the possibility that one party to a financial instrument will fail to meet its contractual obligations, resulting in a financial loss to the Company. The Company, as much as possible, maintains its cash with banks that have good credit ratings. However, the Company may still be exposed to credit risk on cash balances held with banks, investments in Artal Murabaha Fund, amounts due from related parties, and trade receivable, as follows:

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21. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Cash at banks	8,167,528	3,471,365
Trade receivables	12,213,840	10,186,308
Financial investments at fair value through profit or loss	76,843,695	-
Murabaha investment deposits	-	74,355,554
	97,225,063	88,013,227

Currency risks

Currency risks arise from possible changes and fluctuations in currency rates that affect future profits or the fair values of financial instruments. The company monitors currency rate fluctuations and believes that the effect of currency risks is not significant.

Fair value

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. Fair value definition includes the assumption that the Company will continue its operations where there is no intention or condition to physically limit the volume of its operations or conduct a transaction with negative terms.

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

Level 1: Quoted market prices in active markets for the same financial instrument and investment property.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques that rely on inputs affecting fair value that cannot be observed, either directly or indirectly, in the market.

30 June 2025	Level 1	Level 2	Level 3	Total
Financial investments at fair value through profit or loss	-	76,843,695	-	76,843,695

Market price risk

Market risk refers to the risks that arise from changes in the fair value of future cash flows of financial instruments due to fluctuations in market prices. Market prices include three types of risks: interest rate risk, currency risk, and other price risks such as equity price risk and commodity price risk. Financial liabilities that are affected by market price risks include accounts payable.

Interest rate risk

Interest rate risk refers to the risks that arise from changes in the fair value of future cash flows of financial instruments due to changes in the market interest rate. The assets and liabilities of the Company, as of the date of the interim condensed statement of financial position are not exposed to interest rate risk.

22. SEGMENT INFORMATION

Segment information relates to the company's activities and operations, which management has used as a basis for preparing its financial information, in accordance with internal reporting methods. Transactions between segments are conducted under the same terms as those with third parties.

Segment assets, liabilities, and operating activities include items that are directly attributable to a specific segment, as well as items that can be reasonably allocated to different segments. Items that cannot be allocated among segments are classified as shared assets and liabilities.

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22. SEGMENT INFORMATION (CONTINUED)

The company operates in a single segment, which is the manufacturing and sale of bakery products and related food services.

	For the Three-month ended 30 June		For the Six-month ended 30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales from the sale of food products	104,736,192	83,218,765	218,458,386	177,679,199
Sales from granting franchise rights	757,958	878,245	1,330,986	1,640,814
	105,494,150	84,097,010	219,789,372	179,320,013

The company's sales from the sale of food products are recognized at a specific point in time, while the Sales from granting franchise rights are recognized over a period of time. The company's sales are recognized within the Kingdom of Saudi Arabia and outside.

Revenue from external parties or related parties:

	For the Three-month ended 30 June		For the Six-month ended 30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Third parties	105,440,126	84,053,105	219,486,405	179,002,884
Related parties (Note 10)	54,024	43,905	302,967	317,129
	105,494,150	84,097,010	219,789,372	179,320,013

Sales Classification from Customer Contracts

	For the Three-month ended 30 June		For the Six-month ended 30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Kingdom of Saudi Arabia	103,667,481	84,097,010	217,895,929	179,320,013
Qatar	1,826,669	-	1,893,443	-
	105,494,150	84,097,010	219,789,372	179,320,013

23. DIVIDENDS

On 1 June 2025 (corresponding to 5 Dhu al-Hijjah 1446H), the General Assembly approved the recommendation of the Board of Directors to distribute cash dividends amounting to SAR 11,908,359 for the year 2024 (30 June 2024: SAR 9,600,000 for the corresponding year). This represents a dividend of SAR 0.25 per share, equivalent to 25% of the nominal value per share. The approved dividends were fully distributed and paid during the period.

24. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements have been approved for issue by the Board of Directors of the Company on 9 Safar 1447H (Corresponding to 03 August 2025).