FAD INTERNATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

INDEPENDENT AUDITOR’S REVIEW REPORT AND UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

FAD INTERNATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

INDEPENDENT AUDITOR'S REVIEW REPORT AND UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2026

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ERNST & YOUNG PROFESSIONAL SERVICES (PROFESSIONAL LLC)
Paid-Up Capital: ⃁ 5,500,000 (Five Million Five Hundred Thousand Saudi Riyals)

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF FAD INTERNATIONAL COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of FAD International Company (A Saudi Joint Stock Company) (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2026, and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the six-month periods ended 30 June 2026, and the related interim condensed consolidated statement of changes in shareholders' 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 Engagement 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 information consists of making inquiries, primarily of the persons responsible for the 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 ("ISAs") as endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

for Ernst and Young Professional Services

Ahmed Ibrahim Reda
Certified Public Accountant
License No. (356)

Jeddah: 29 Safar 1448H
(12 August 2026G)

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شركة إرنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

FAD INTERNATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at 30 June 2026

	Note	***30 June 2026 Unaudited SR***	*31 December 2025 Audited SR*
ASSETS			
NON-CURRENT ASSETS			
Property and equipment		**6,469,899**	5,676,148
Intangible assets		**467,127**	652,185
Right-of-use assets	3(a)	**26,341,180**	27,410,910
TOTAL NON-CURRENT ASSETS		**33,278,206**	33,739,243
CURRENT ASSETS			
Inventories	4	**21,888,028**	22,906,384
Trade and other receivables	5	**9,768,986**	11,163,948
Short term investment	7	**7,000,000**	-
Cash and cash equivalents	6	**7,169,996**	3,890,224
TOTAL CURRENT ASSETS		**45,827,010**	37,960,556
TOTAL ASSETS		**79,105,216**	71,699,799
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8.1	**12,000,000**	12,000,000
Reserves	8.2	**-**	-
Retained earnings		**15,094,019**	8,846,687
TOTAL EQUITY		**27,094,019**	20,846,687
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities	3(b)	**10,946,992**	10,757,348
Employee benefit obligations		**6,850,033**	6,568,029
TOTAL NON-CURRENT LIABILITIES		**17,797,025**	17,325,377
CURRENT LIABILITIES			
Trade and other payables	9	**11,221,352**	13,822,995
Short-term borrowings	10	**9,274,067**	5,588,136
Current portion of lease liabilities	3(b)	**13,578,128**	13,973,171
Provision for zakat	11	**140,625**	143,433
TOTAL CURRENT LIABILITIES		**34,214,172**	33,527,735
TOTAL LIABILITIES		**52,011,197**	50,853,112
TOTAL EQUITY AND LIABILITIES		**79,105,216**	71,699,799

Ayman Gamal Chairman of Board of Directors	Eyad Abdullah Mashat Chief Executive Officer	Ahmed Youseif Chief Financial Officer

The attached notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements

FAD INTERNATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

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

For the six-month period ended 30 June 2026

	Note	***For the six-month period ended 30 June 2026 Unaudited SR***	*For the six-month period ended 30 June 2025 Unaudited SR*
Revenue	14	**90,830,469**	97,818,911
Cost of sales	15	**(29,410,487)**	(33,463,017)
GROSS PROFIT		**61,419,982**	64,355,894
Selling and distribution expenses	16	**(33,972,465)**	(34,815,320)
General and administrative expenses	17	**(13,978,678)**	(15,840,275)
Impairment reversal/(loss) on financial assets	5	**40,360**	(76,897)
Other operating income	7	**187,370**	316,637
OPERATING PROFIT		**13,696,569**	13,940,039
Finance cost		**(1,302,488)**	(1,512,256)
PROFIT BEFORE ZAKAT		**12,394,081**	12,427,783
Zakat (expense) / credit	11	**(148,962)**	384,963
PROFIT FOR THE PERIOD		**12,245,119**	12,812,746
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**12,245,119**	12,812,746
Earnings per share			
Basic and diluted	18	**10.20**	10.68

Ayman Gamal
Chairman of Board of Directors

Eyad Abdullah Mashat
Chief Executive Officer

Ahmed Youseif
Chief Financial Officer

The attached notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements

FAD INTERNATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

For the six-month period ended 30 June 2026

	Capital *SR*	*Reserve* *SR* *(see note 8.2)*	*Retained earnings* *SR*	*Total* *SR*
Balance as at 1 January 2025	12,000,000	1,972,464	6,891,682	20,864,146
Profit for the period	-	-	12,812,746	12,812,746
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	12,812,746	12,812,746
Dividend (note 19)			(5,998,466)	(5,998,466)
Balance as at 30 June 2025	12,000,000	1,972,464	13,705,962	27,678,426
Balance as at 1 January 2026	**12,000,000**	-	**8,846,687**	**20,846,687**
Profit for the period	-	-	**12,245,119**	**12,245,119**
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	**12,245,119**	**12,245,119**
Dividend (note 19)	-	-	**(5,997,787)**	**(5,997,787)**
Balance as at 30 June 2026	**12,000,000**	-	**15,094,019**	**27,094,019**

Ayman Gamal
Chairman of Board of Directors

Eyad Abdullah Mashat
Chief Executive Officer

Ahmed Youseif
Chief Financial Officer

FAD INTERNATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

For the six-month period ended 30 June 2026

	Note	***For the six-month period ended 30 June 2026 Unaudited SR***	*For the six-month period ended 30 June 2025 Unaudited SR*
OPERATING ACTIVITIES			
Profit before zakat		**12,394,081**	12,427,783
Adjustments to reconcile profit before zakat to net cash flows:			
Depreciation of property and equipment		**1,750,012**	2,336,058
Amortisation of intangible assets		**185,058**	168,715
Depreciation of right-of-use assets	3(a)	**10,235,207**	9,605,053
Finance costs on borrowings		**434,548**	593,528
Finance costs on lease liabilities	3(b)	**867,940**	918,728
Reversal of provision for slow-moving inventories	4	**28,536**	(3,585,269)
Provision for employee benefit obligations		**989,475**	808,449
(Reversal)/Allowance for expected credit losses		**(40,360)**	76,897
Write off related to property and equipment	16	**673**	598,091
		26,845,170	23,948,033
Working capital adjustments:			
Decrease in inventories		**989,820**	10,344,930
Decrease / (increase) in trade and other receivables		**1,435,322**	(1,706,660)
Increase in trade and other payables		**(2,653,768)**	(10,000,441)
Cash generated from operations		**26,616,544**	22,585,862
Employees' benefits liabilities paid		**(707,471)**	(977,114)
Zakat paid	11	**(151,770)**	(118,096)
Net cash (used in) / from operating activities		**25,757,303**	21,490,652
INVESTING ACTIVITIES			
Payments for purchases of property and equipment		**(2,544,436)**	(1,094,038)
Payments for purchases of intangible assets		**-**	(65,686)
Purchase of short-term investment	7	**(7,000,000)**	-
Net cash used in investing activities		**(9,544,436)**	(1,159,724)
FINANCING ACTIVITIES			
Dividends paid	19	**(5,997,787)**	(5,998,466)
Short term borrowings settled		**(5,589,387)**	(11,364,760)
Short term borrowings received		**9,062,253**	5,120,132
Finance costs paid on borrowings		**(169,357)**	(593,528)
Principal element of lease payments	3(b)	**(9,370,877)**	(8,100,812)
Finance cost element of lease payments	3(b)	**(867,940)**	(918,728)
Net cash used in financing activities		**(12,933,095)**	(21,856,162)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**3,279,772**	(1,525,234)
Cash and cash equivalents at 1 January		**3,890,224**	11,091,432
CASH AND CASH EQUIVALENTS AS AT 30 JUNE 2026	6	**7,169,996**	9,566,198
Supplemental information for non-cash information			
Additions to right-of-use assets (including renewals) and lease liabilities	3	**9,165,477**	9,543,944

Ayman Gamal	Eyad Abdullah Mashat	Ahmed Youseif
Chairman of Board of Directors	Chief Executive Officer	Chief Financial Officer

The attached notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements

1. GENERAL INFORMATION

FAD International Company (the "Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia. The Group consists of the Company and its wholly owned subsidiaries (collectively the "Group"):

Name of the entity	*Place of business / Country of incorporation*	*Ownership interest held by the Group*		*Principal activities*
		30 June 2026	***31 December 2025***	
Think Contemporary Marketing for Trading Company ("Think") – CR number 4030169641	Kingdom of Saudi Arabia	**100%**	100%	Think is a single shareholder limited liability company licensed in the Kingdom of Saudi Arabia. Think is engaged in retail and wholesale trading of clothes and shoes.
FAD Retail Limited ("FAD UK") – Company number 7996208	United Kingdom	**100%**	100%	FAD UK is a dormant entity and does not have any operations.

The Group is majorly owned and controlled by Mr. Eyad Abdullah Mashat, the majority shareholder (the "Major shareholder"). The Group's registered office is located at Abu Saeed Al-Naqqash Street, Al Andalus, Jeddah 23322, Kingdom of Saudi Arabia.

The Group is engaged in retail and wholesale trading of clothes, fabrics, bags, suitcases, shoes and their accessories, leather products, artificial and natural perfumes, cosmetics, makeup and lotions, sunglasses for men, women and children. Currently, the Group is engaged in retail and wholesale of women dresses and related accessories under the brand names "Vivid Flair London" and "Femi9". The details of branches of the Group have been disclosed in note 23 to these interim condensed consolidated financial statements.

The Company is registered in the Kingdom of Saudi Arabia under Commercial Registration ("CR") number 4030193915 and unified number 7001616882 dated 28 Shawwal 1430H (corresponding to 17 October 2009). On 28 November 2023, the Company became listed on Nomu, the parallel equity market in the Kingdom of Saudi Arabia ("Nomu"). The listing involved the offering of 240,000 shares, equivalent to 20% of the Company's share capital.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The interim condensed consolidated financial statements for the six-month period ended 30 June 2026 have been prepared in accordance with *International Accounting Standard 34 - Interim Financial Reporting* ("IAS 34") as 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 interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements prepared in accordance with IFRS Accounting Standard that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the SOCPA, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025 (last annual consolidated financial statements). In addition, results for the six-month periods ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

2.2 Functional and presentational currency

These interim condensed consolidated financial statements have been presented in Saudi Riyals ("SR") which is also the functional and presentational currency of the group, except as otherwise indicated.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

2.3 Basis of measurement

These interim condensed consolidated financial statements are prepared under the historical cost convention using the accrual basis of accounting and going concern assumption.

2.4 Significant accounting judgement, estimates and assumptions

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The significant judgements made by management in applying the Group's accounting policies and the methods of computation and the key sources of estimation are the same as those that applied to the financial statements for the year ended 31 December 2025. Any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future periods.

2.5 Material Accounting Policy Information

The accounting policies adopted, and methods of computation applied in these interim condensed consolidated financial statements are the same as those applied in the Group's annual consolidated financial statement as at and for the year ended 31 December 2025 except for the adoption of new standards as disclosed in note 2.6 (b) effective as of 1 January 2026. The Group has not adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2.6 New standards, interpretations and amendment

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. One amendment applies for the first time in 2026 (as detailed below), but do not have any material impact on the interim condensed consolidated financial statements of the Group.

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The amendments had no impact on the Group's interim condensed consolidated financial statements.

Annual Improvements to IFRS accounting Standards – Volume 11
In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

2.6 New standards, interpretations and amendment (continued)

Contracts Referencing Nature -dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity, and they:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in -scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

The amendments had no impact on Group's interim condensed consolidated financial statements.

Expected impact of the initial application of IFRS 18 ("Presentation and Disclosure in Financial Statements")

In April 2024, the International Accounting Standards Board ("IASB") issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements and becomes effective for annual reporting periods beginning on or after 1 January 2027. The new standard introduces new requirements and updates to the statement of profit or loss, with the main objective of improving comparability in the statement of profit or loss and enhancing transparency over management-defined performance measures.

The key new concepts introduced by IFRS 18 include:

- A revised structure of the statement of profit or loss, requiring classification of income and expenses into 5 defined categories based on the entity's main business activities and presentation of mandatory subtotals;
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general; and
- Required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures).

The Group is in the process of assessing the estimated impact that the initial application of IFRS 18 will have on its financial statements.

Structure of the Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

The standard is expected to result in changes to the presentation of certain line items and subtotals in the interim condensed consolidated statement of profit or loss namely operating, investing, financing, zakat/income tax and discontinued operations. This classification depends on the main business activities of the entity. The Group does not have a specified main business activity as defined in IFRS 18.

Based on the Group preliminary assessment and the nature of its business activities, performed to date, on high level the Group expects changes to the current structure of interim condensed consolidated statement of profit or loss to result in:

- The Group continues to present operating profit line item however, operating profit will be affected by presentation/placement of certain items within and outside the operating profit such as bank charges currently presented within finance cost will be classified within general and administrative expenses in the operating category and will reduce the operating profit. Further, finance cost on the Group's employees' end of service benefit obligation currently presented within salaries and related benefits will be classified and presented within the financing category and will increase the operating profit.
- Unrealized fair value gain from investment in mutual funds currently presented within other operating income will be classified in the new investing category of IFRS 18. There would be an additional subtotal 'Profit before financing and zakat' after investing category.
- The Group's new financing category would include finance cost on short term borrowing, lease liabilities and Group's employees end of service benefit obligation.
- The Group expects the Zakat to be presented in income tax category of IFRS 18 hence, there is no change from existing presentation under IAS 1.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

2.6 New standards, interpretations and amendment (continued)

Aggregation and disaggregation
The new aggregation and disaggregation requirements will lead into changes to present the most useful structured summary. The Group is assessing how items are aggregated and disaggregated in the primary financial statements and the notes on the basis of similar and dissimilar characteristics.

Certain statement of financial position and profit or loss line items description and aggregations may change to provide useful structured summaries and disclose additional material information in the notes.

The Group is performing a detailed assessment to determine the appropriate classification of items.

Management Performance Measures
Management-defined Performance Measures (MPMs) is a subtotal of income and expenses that entity uses in public communication outside the financial statements that communicates management's view of an aspect of the financial performance of the entity as a whole. Where applicable, these measures may require quantitative reconciliation to IFRS-defined subtotals together with expanded explanatory disclosures.

The Group is in the process of identifying which performance measures communicated to investors, analysts and other stakeholders (including adjusted earnings measures, underlying profit measures and certain operating performance metrics) will meet the definition of an MPM under IFRS 18 and accordingly, the Group will comply with the IFRS 18 disclosure requirements in this regard.

Consequential amendments
The Group is also evaluating the consequential amendments arising from IFRS 18, including amendments to IAS 7 Statement of Cash Flows and IAS 34 Interim Financial Reporting.

The Group currently uses profit before zakat as a starting point of the reconciliation to cash flows from operating activities which will be changed to operating profit. Certain adjusting items included in the reconciliation will change as a result of the new starting point.

The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows. The Group will classify cash flows from interest paid as financing activities rather than operating activities under IFRS 18. Cash flows from interest received and dividends paid will continue to be classified as investing and financing activities, respectively.

The Group assessment remains ongoing and further refinements to the expected impact may arise as implementation activities progress and additional industry and regulatory guidance becomes available.

3. LEASES

a) Right-of-use assets

During the period ended 30 June 2026, the Group has recognised right-of-use assets and corresponding lease liabilities of SR 9.2 million (Year ended 31 December 2025: SR 16 million) in respect of additions and renewal of lease arrangements relating to stores. The movement of right of use assets is as follows:

	30 June 2026 Unaudited SR	*31 December 2025 Audited SR*
At the beginning of the period / year	**27,410,910**	24,140,197
Additions during the period / year	**1,208,673**	5,790,126
Renewals during the period / year	**7,956,804**	16,623,305
Depreciation during the period / year	**(10,235,207)**	(19,142,718)
At the end of the period / year	**26,341,180**	27,410,910

3. LEASES (continued)

b) Lease liabilities

The movement of lease liabilities is as follows:

	30 June 2026 Unaudited SR	*31 December 2025 Audited SR*
At the beginning of the period / year	**24,730,519**	21,452,058
Additions during the period / year	**1,208,673**	5,790,126
Renewals during the period / year	**7,956,804**	16,623,305
Accretion of finance costs during the period / year	**867,940**	1,807,723
Lease payments during the period / year	**(10,238,816)**	(20,942,693)
At the end of the period / year	**24,525,120**	24,730,519
Less: current portion of lease liabilities	**(13,578,128)**	(13,973,171)
Non-current portion of lease liabilities	**10,946,992**	10,757,348

c) Amounts recognised in the interim condensed consolidated statement of profit or loss and other comprehensive income:

	For the six-month period ended 30 June 2026 Unaudited SR	*For the six-month period ended 30 June 2025 Unaudited SR*
Depreciation charge on right-of-use assets	**10,235,207**	9,605,056
Finance costs on lease liabilities	**867,940**	918,728
Expense relating to short-term leases	**2,892,801**	4,199,317

4. INVENTORIES

	30 June 2026 Unaudited SR	*31 December 2025 Audited SR*
Ready-made clothes	**21,805,200**	21,610,576
Consumables	**1,385,528**	2,569,972
	23,190,728	24,180,548
Less: provision for slow-moving inventories (see note below)	**(1,302,700)**	(1,274,164)
	21,888,028	22,906,384

4. INVENTORIES (continued)

Movement in the provision for slow-moving inventories is as follows:

	For the six-month period ended 30 June 2026 Unaudited SR	*For the year ended 31 December 2025 Audited SR*
Opening balance	**1,274,164**	4,869,541
Charge / (reversal) of provision for the period / year	**28,536**	(3,585,269)
Closing balance	**1,302,700**	1,274,164

The movement in inventory provision balance is determined on a portfolio basis, with the current period impact representing the difference between the closing and opening balance, which is charged as consumption expense under cost of revenue. In prior period, the reversal of provision was due to sale of prior period inventories which were already provided for in previous periods and change in the balance of inventories aging.

5. TRADE AND OTHER RECEIVABLES

	Note	***30 June 2026 Unaudited SR***	*31 December 2025 Audited SR*
Trade receivables		**4,597,149**	4,820,833
Due from related parties	12	**235,266**	44,134
Less: allowance for expected credit losses	5.2	**(156,569)**	(196,929)
		4,675,846	4,668,038
Prepayments		**2,631,464**	3,641,255
Security deposit		**2,357,032**	2,469,927
Other receivables (see note 5.1)		**104,644**	384,728
		9,768,986	11,163,948

5.1 Other receivables include balances due from delivery service providers and loans provided to employees and are expected to be collected within one year from the reporting date.

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

	For the six-month period ended 30 June 2026 Unaudited SR	*For the year ended 31 December 2025 Audited SR*
Opening balance	**196,929**	133,119
(Reversal) / charge for the period / year	**(40,360)**	63,810
Closing balance	**156,569**	196,929

5. TRADE AND OTHER RECEIVABLES (continued)

The Group uses a provision matrix in the calculation of the ECL on trade and related party receivables to estimate the lifetime ECL, applying certain provision rates to respective contractual past due aging buckets. The provision matrix was developed considering probability of default based on historical collection trends of the Group's customers and credit rating of the Group's related parties assigned by reputed credit rating agencies and loss given default. The loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle

The following table provides information about the exposure to credit risk and ECL for trade receivables as at 30 June 2026 and 31 December 2025 is as follows:

	Trade Receivables		
30 June 2026 – Unaudited	***Gross carrying amount SR***	***Loss rate (%)***	***Loss Allowance SR***
Current	**3,612,220**	**2.69%**	**97,027**
1 - 90 days past due	**984,929**	**6.05%**	**59,542**
91 - 180 days past due	**-**	**-**	**-**
	4,597,149		**156,569**

	Trade Receivables		
31 December 2025 – Audited	*Gross carrying amount SR*	*Loss rate (%)*	*Loss Allowance SR*
Current	3,687,418	2.64%	97,206
1 - 90 days past due	960,328	7.02%	67,393
91 - 180 days past due	173,087	18.68%	32,330
	4,820,833		196,929

As at 30 June 2026, balances due from related parties amount to SR 0.23 million (31 December 2025: SR 0.04 million) and all of such balance falls under the 'not yet due' category of aging bucket (31 December 2025: same).

6. CASH AND CASH EQUIVALENTS

	30 June 2026 Unaudited SR	*31 December 2025 Audited SR*
Cash at bank	**6,387,837**	3,207,456
Cash in hand	**782,159**	682,768
	7,169,996	3,890,224

As of each reporting date, all bank balances are assessed to have low credit risk as they are held with reputable and high credit rating banking institutions and there has been no history of default with any of the Group's bank balances. Therefore, the probability of default based on forward looking factors and any loss given defaults are considered to be negligible.

7. SHORT TERM INVESTMENT

On 14 May 2026, the Group invested SR 7 million in an open-ended mutual fund. The investment is classified at fair value through profit and loss based on business model assessment. The fair value is determined using quoted market price at reporting date which is considered level 1 fair value under IFRS 13 'Fair Value Measurement'. During the period, the Group recognised unrealised gain on change in fair value of short-term investment amounting to SR 43,395 and has been included in 'other operating income'.

8. SHARE CAPITAL AND RESERVE

8.1 At 30 June 2026 and 31 December 2025, the Company's share capital of SR 12 million consist of 1.2 million authorised, issued and fully paid shares of SR 10 each.

8.2 In line with requirement of the new Companies law and by-laws of the Parent Company, on 3 Rajab 1447H (corresponding to 23 December 2025), the shareholders of the Company approved to transfer the Parent Company's statutory reserve amounting to SR 1,972,464 to the retained earnings.

9. TRADE AND OTHER PAYABLES

	30 June 2026 Unaudited SR	*31 December 2025 Audited SR*
Trade payables	**7,079,744**	8,794,199
Accrued expenses	**2,251,360**	2,542,892
Rent payable	**226,622**	246,081
VAT payable, net	**562,057**	1,011,583
Others (see note below)	**1,101,569**	1,228,240
	11,221,352	13,822,995

Other payables include balances payable to suppliers for advertising services, transportation services, utilities and governmental fees and are expected to be paid within one year from the reporting date.

Due to the short-term nature of trade and other payables, their carrying amount is considered approximate to their fair value.

10. SHORT-TERM BORROWINGS

During the year ended 31 December 2025, the Group renewed a short-term borrowing facility from local commercial banks amounting to SR 25 million. The facility is denominated in SR and bear finance costs based on prevailing market rates. The facility is secured by the personal guarantee of the Major shareholder. The maturity of the borrowing is less than six-months from the date of interim condensed consolidated financial statements.

During the period, the Group utilized SR 9 million from the credit facilities and repaid SR 5.8 million including finance cost of SR 0.43 million.

The total unused credit facilities available to the Group as at 30 June 2026 is SR 16.2 million (31 December 2025: SR 19.4 million).

11. ZAKAT PROVISION

The Parent Company and its wholly owned subsidiary have filed their individual zakat returns up to the year ended 31 December 2023. However, the Group filed zakat return for the year ended 31 December 2025 on consolidated basis and obtained the zakat certificate valid till 30 April 2027.

Zakat (reversal) / charge for the period comprise of:

	For the six-month period ended 30 June 2026 Unaudited SR	*For the six-month period ended 30 June 2025 Unaudited SR*
Charge for the period	**148,962**	200,000
Adjustment related to prior period	**-**	(584,963)
Zakat expense / (reversal) for the period	**148,962**	(384,963)

11. ZAKAT PROVISION (continued)

Movement of zakat provision for the period is as follows:

	30 June 2026 Unaudited SR	*31 December 2025 Audited SR*
Opening balance	**143,433**	683,093
Charge for the period / year	**148,962**	143,433
Adjustment related to prior period / year	**-**	(466,872)
Paid during the period / year	**(151,770)**	(216,221)
Closing balance	**140,625**	143,433

12. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent shareholder, ultimate parent company, subsidiaries, affiliates (the Company and the entities that are members of the same group), associate, joint venture, directors and key management personnel of the Parent Company. Balances and transactions between the Parent and its subsidiaries which are related parties, have been eliminated on consolidation and are not disclosed below. The significant transactions between the Group and the affiliates are disclosed below. The terms and conditions of these transactions are agreed by the management of the concerned parties:

a) During the period, the Group entered in transactions with related parties as follows:

Related Party	**Nature of transactions**	***For the six-month period ended 30 June 2026 Unaudited SR***	*For the six-month period ended 30 June 2025 Unaudited SR*
Mr. Eyad Abdullah Mashat	Sales to related party	**69,395**	-
Consulting Company (FAD China)	Reimbursement of expenses incurred by the related party on behalf of the Group	**1,764,092**	1,657,543

(a) Due from related parties as at 30 June 2026 and 31 December 2025 are comprised of the following:

Name of related parties	***30 June 2026 Unaudited SR***	*31 December 2025 Audited SR*
Mr. Eyad Abdullah Mashat	**69,395**	-
Consulting Company (FAD China)	**165,871**	44,134
	235,266	44,134

The above balances are unsecured, interest free and have no fixed repayment. The management estimate the allowance on due from related party balances at the reporting date at an amount equal to lifetime ECL. No receivable balance from related parties at the reporting date are past due, taking into account the historical default experience and the future prospects of the industries in which the related parties operate, the management considers that related party balances are 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.

12. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) Key management personnel compensation:

Key management personnel include Managers and other senior management personnel. Their compensation comprised of the following:

	For the six-month period ended 30 June 2026 Unaudited SR	*For the six-month period ended 30 June 2025 Unaudited SR*
Salaries	**2,534,500**	2,242,000
Bonus and other benefits	**326,066**	113,910
Provision for employee benefit obligations	**220,072**	186,833
	3,080,638	2,542,743

13. SEGMENT INFORMATION

An operating segment is a component of the Group that engages in business activities which includes two brands under the name of "Vivid Flair London" and "Femi9" from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

The Board of Directors ("BoD") of the Group assesses the financial performance and position of the Group and makes strategic decisions. The BoD has been identified as being the CODM.

Segment results that are reported to the Group's CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The business activities of the Group are concentrated in the Kingdom of Saudi Arabia and all non-current operating assets of the Group are located in the Kingdom of Saudi Arabia.

The following summary describes the operations, performance and resource allocation of each reportable segment:

	For the six-month period ended 30 June 2026 (Unaudited)		
	Vivid Flair London	***Femi9***	***Total***
	SR	***SR***	***SR***
Revenue from external customers	**12,241,978**	**78,588,491**	**90,830,469**
Cost of sales	**(3,015,978)**	**(26,394,509)**	**(29,410,487)**
Gross profit	**9,226,000**	**52,193,982**	**61,419,982**
Depreciation and amortization	**2,443,567**	**9,727,383**	**12,170,950**
Finance costs	**243,261**	**1,059,227**	**1,302,488**
Profit before zakat	**2,387,680**	**10,006,401**	**12,394,081**
Zakat expense	**-**	**-**	**(148,962)**
Profit for the period	**2,950,440**	**9,443,641**	**12,245,119**

13. SEGMENT INFORMATION (continued)

	For the six-month period ended 30 June 2025 (Unaudited)		
	Vivid Flair London	*Femi9*	*Total*
	SR	*SR*	*SR*
Revenue from external customers	10,961,269	86,857,642	97,818,911
Cost of sales	(2,769,249)	(30,693,768)	(33,463,017)
Gross profit	8,192,020	56,163,874	64,355,894
Depreciation and amortization	2,253,709	9,856,119	12,109,828
Finance costs	726,340	785,916	1,512,256
(Loss) / profit before zakat	3,267,351	9,160,432	12,427,783
Zakat expense	(100,000)	484,963	384,963
(Loss)/profit for the period	3,167,351	9,645,395	12,812,746

	As at 30 June 2026 (Unaudited)		
	Vivid Flair London	***Femi9***	***Total***
	SR	***SR***	***SR***
Property and equipment	**2,383,634**	**4,086,265**	**6,469,899**
Intangible assets	**467,127**	**-**	**467,127**
Right-of-use assets	**5,992,771**	**20,348,409**	**26,341,180**
Current assets	**23,087,824**	**22,739,186**	**45,827,010**
Total assets	**31,931,356**	**47,173,860**	**79,105,216**
Lease liabilities – non-current portion	**2,726,832**	**8,220,160**	**10,946,992**
Employee benefit obligations	**2,126,443**	**4,723,590**	**6,850,033**
Current liabilities	**21,906,109**	**12,308,063**	**34,214,172**
Total liabilities	**26,759,384**	**25,251,813**	**52,011,197**

13. SEGMENT INFORMATION (continued)

	As at 31 December 2025 (Audited)		
	Vivid Flair London	*Femi9*	*Total*
	SR	*SR*	*SR*
Property and equipment	919,024	4,757,124	5,676,148
Intangible assets	652,185	-	652,185
Right-of-use assets	5,215,228	22,195,682	27,410,910
Current assets	18,141,952	19,818,604	37,960,556
Total assets	24,928,389	46,771,410	71,699,799
Lease liabilities – non-current portion	4,579,897	6,177,451	10,757,348
Employee benefit obligations	1,745,887	4,822,142	6,568,029
Current liabilities	17,358,175	16,169,560	33,527,735
Total liabilities	23,683,959	27,169,153	50,853,112

The management has categorized its geographical operations as follows:

	For the six-month period ended 30 June 2026 Unaudited SR	*For the six-month period ended 30 June 2025 Unaudited SR*
Geographic information		
Revenue from local sales		
Kingdom of Saudi Arabia	**86,928,951**	92,008,075
Revenue from export sales		
Kingdom of Bahrain	**1,457,489**	2,550,388
Egypt	**2,012,664**	2,169,062
Qatar	**431,365**	1,091,386
Total	**90,830,469**	97,818,911

14. REVENUES

	For the six-month period ended 30 June 2026 Unaudited SR	*For the six-month period ended 30 June 2025 Unaudited SR*
Retail (in-store)	**75,864,799**	80,886,391
Retail (e-commerce)	**9,368,403**	9,972,101
Wholesale	**5,597,267**	6,960,419
	90,830,469	97,818,911

15. COST OF SALES

		For the six-month period ended 30 June 2026 Unaudited SR	*For the six-month period ended 30 June 2025 Unaudited SR*
Material cost		**29,381,951**	37,040,030
Provision / (Reversal of provision) for slow-moving inventories	4	**28,536**	(3,577,013)
		29,410,487	33,463,017

Material cost includes purchase price of clothes and other goods sold, import duties, non-refundable taxes, transport and handling costs.

16. SELLING AND DISTRIBUTION EXPENSES

	Note	***For the six-month period ended 30 June 2026 Unaudited SR***	*For the six-month period ended 30 June 2025 Unaudited SR*
Salaries and other benefits		**13,319,746**	11,042,375
Depreciation of right-of-use assets	3	**9,859,976**	9,328,550
Advertising and marketing		**3,239,577**	4,529,170
Rental expenses for short-term leases	3	**2,781,473**	3,993,767
Depreciation of property and equipment		**1,620,591**	1,676,477
Bank charges		**1,050,138**	993,141
Utilities		**446,552**	418,592
Maintenance		**323,144**	410,179
Travelling		**234,123**	65,552
Government related expenses		**131,296**	554,726
Amortisation of intangible assets		**118,434**	118,434
Information and technology related expenses		**111,677**	351,308
Write-off related to property and equipment		**673**	598,091
Others		**735,065**	734,958
		33,972,465	34,815,320

17. GENERAL AND ADMINISTRATIVE EXPENSES

	Note	***For the six-month period ended 30 June 2026 Unaudited SR***	*For the six-month period ended 30 June 2025 Unaudited SR*
Salaries and other benefits		**9,766,702**	10,678,841
Legal and professional expenses		**975,581**	984,621
Depreciation of right-of-use assets	3	**375,231**	276,506
Information and technology related expenses		**332,296**	657,197
Travelling		**320,345**	429,901
Utilities		**253,850**	150,287
Depreciation of property and equipment		**129,421**	659,581
Rental expenses for short-term leases	3	**111,328**	205,550
Maintenance costs		**77,052**	40,088
Amortisation of intangible assets		**66,624**	50,282
Government related expenses		**29,912**	326,084
Bank charges		**25,854**	38,256
Communication		**-**	93,155
Others		**1,514,482**	1,249,926
		13,978,678	15,840,275

18. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary shareholders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period. As the Company does not have any dilutive potential shares, the dilutive earnings / (loss) per share is the same as the basic earnings / (loss) per share.

The basic and dilutive earnings per share is computed as follows:

	For the six-month period ended 30 June	
	2026	**2025**
Profit for the period	**12,245,119**	12,812,746
Weighted average number of ordinary shares outstanding and used in calculating basic and diluted earnings per share	**1,200,000**	1,200,000
Basic and diluted earnings per share	**10.20**	10.68

19. DIVIDENDS

During the current period ended 30 June 2026, the shareholders of the Group approved and paid dividends amounting to SR 5.9 million on 16 June 2026 (corresponding to 1 Muharram 1448H) (period ended 30 June 2025: SR 5.9 on 18 May 2025 (corresponding to 20 Thul-Qi’dah 1446H)).

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

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. The fair value measurement is based on the presumption that the transaction takes place either:

- In the accessible principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous accessible market for the asset or liability
- Fair value information of the Group's financial instruments is analysed below:

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;

Level 2: quoted prices inactive markets for similar assets and liabilities or valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data.

As at 30 June 2026, the financial assets of the group include short term investment which is recorded at fair value through profit and loss.

As at 30 June 2026, the financial assets of the Group comprise of trade receivables, due from a related party, cash and cash equivalents and other receivables which are recorded at amortised cost and whose carrying value approximates its fair value.

As at 30 June 2026, the Group's financial liabilities include trade payables, short-term borrowings and other liabilities. There were no financial liabilities measured at fair value.

21. FINANCIAL RISK MANAGEMENT

The Group's activities are exposed to a variety of financial risks which mainly include market risk (including foreign exchange risk, interest rate risk and price risk) credit risk and liquidity risk. The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; and therefore, should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2025. There have been no changes in the risk management policies since the year end.

22. GEOPOLITICAL DEVELOPMENTS

During the current period, geopolitical tensions in parts of the Middle East have increased. Public communications from government and regulatory authorities have continued to emphasize the resilience of the economy and the continuation of business operations across key sectors, supported by established business continuity and risk management frameworks.

The Group has assessed the potential implications of these events on its operations, financial position and performance. Based on information currently available, including the continuation of core business activities, it is not practicable to reliably estimate the full financial effect of these geopolitical events on future periods.

Management has also considered the impact of these events on the Group's ability to continue as a going concern and has concluded that the going concern basis of preparation remains appropriate.

23. BRANCHES OF THE GROUP

The results, assets and liabilities of the following branches are included in these interim condensed consolidated financial statements:

No.	Branch	CR Number	Date
1	Red Sea Mall	4030193915	19/11/1448
2	Mall of Arabia	4030193915	19/11/1448
3	Al Nakheel Mall	4030193915	19/11/1448
4	Aliat Al Madina City	4030193915	19/11/1448
5	Makkah Mall	4030193915	19/11/1448
6	Al Nakheel Mall	4030193915	19/11/1448
7	Riyadh Park	4030193915	19/11/1448
8	Aziz Mall	4030169641	26/08/1448
9	Al Salam Mall	4030169641	26/08/1448
10	Al Yasmeen Mall	4030169641	26/08/1448
11	Mall of Arabia	4030169641	26/08/1448
12	Red Sea Mall	4030169641	26/08/1448
13	Al Andalus Mall	4030169641	26/08/1448
14	The Village Mall	4030169641	26/08/1448
15	U Walk Mall	4030169641	26/08/1448
16	Kadi Mall	4030169641	26/08/1448
17	Al Nakheel Plaza	4030169641	26/08/1448
18	Al-Jadia	4030169641	26/08/1448
19	Al Rashid Mall	4030169641	26/08/1448
20	Aliat Al Madina	4030169641	26/08/1448
21	Al Noor Mall - Al Madinah	4030169641	26/08/1448
22	Tabuk Park	4030169641	26/08/1448
23	Al Ahsa Mall	4030169641	26/08/1448
24	Othaim Mall	4030169641	26/08/1448
25	The Park Mall	4030169641	26/08/1448
26	Jouri Mall	4030169641	26/08/1448
27	Obeikan Mall	4030169641	26/08/1448
28	Abraj Al Bait	4030169641	26/08/1448
29	Makkah Mall	4030169641	26/08/1448
30	Rusaifa	4030169641	26/08/1448
31	Al Khobar Mall	4030169641	26/08/1448
32	Flamingo Park	4030169641	26/08/1448
33	Dhahran Mall	4030169641	26/08/1448
34	Al Rashid Mall	4030169641	26/08/1448
35	Al Hayat Mall	4030169641	26/08/1448
36	Othaim Mall Al Rabwa	4030169641	26/08/1448
37	Park Avenue	4030169641	26/08/1448
38	Riyadh Park	4030169641	26/08/1448
39	Panorama	4030169641	26/08/1448
40	Riyadh Gallery	4030169641	26/08/1448
41	The View	4030169641	26/08/1448
42	Al Nakheel Mall	4030169641	26/08/1448
43	Granada Mall	4030169641	26/08/1448
44	Marina	4030169641	26/08/1448
45	Al Nakheel Mall	4030169641	26/08/1448
46	Marina Mall	4030169641	26/08/1448
47	Darren Mall	4030169641	26/08/1448
48	Dana Mall	4700012142	29/01/1448

24. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved and authorized for issue by the Board of Directors on 10 August 2026G (corresponding to 27 Safar 1448H).